

Engtex Group Berhad (Company No: 536693-X)**Quarterly Report on consolidated results
For the First Quarter ended 31 March 2019**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position
As at 31 March 2019**

	Note	As at 31 March 2019 RM'000	Audited As at 31 December 2018 RM'000
<u>ASSETS</u>			
Property, plant and equipment		392,408	394,393
Investment properties		40,481	40,703
Right-of-use assets		831	-
Deferred tax assets		7,334	6,465
Total non-current assets		441,054	441,561
Property under development		80,621	80,150
Inventories		342,725	413,925
Receivables, deposits and prepayments		336,404	367,828
Assets held for sale		5,197	5,197
Current tax assets		3,020	3,293
Cash and bank balances		53,653	54,344
Total current assets		821,620	924,737
TOTAL ASSETS		1,262,674	1,366,298
<u>EQUITY AND LIABILITIES</u>			
Share capital		269,934	269,934
Reserves		415,184	415,066
Total equity attributable to Owners of the Company		685,118	685,000
Non-controlling interests		19,011	18,993
TOTAL EQUITY		704,129	703,993
<u>LIABILITIES</u>			
Lease liabilities		564	-
Loans and borrowings	B7	71,703	83,558
Deferred tax liabilities		10,728	10,727
Total non-current liabilities		82,995	94,285
Payables and accruals		107,556	105,246
Lease liabilities		272	-
Loans and borrowings	B7	362,051	457,222
Current tax liabilities		5,671	5,552
Total current liabilities		475,550	568,020
TOTAL LIABILITIES		558,545	662,305
TOTAL EQUITY AND LIABILITIES		1,262,674	1,366,298
Number of ordinary shares ('000)		443,319	443,319
Net assets per share (RM)		1.59	1.59

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Engtex Group Berhad (Company No: 536693-X)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 31 March 2019**

	Note	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue		274,248	298,199	274,248	298,199
Cost of sales		(244,657)	(253,869)	(244,657)	(253,869)
Gross profit		29,591	44,330	29,591	44,330
Other operating income		1,548	1,345	1,548	1,345
Operating expenses		(23,505)	(25,067)	(23,505)	(25,067)
Finance cost		(5,666)	(7,138)	(5,666)	(7,138)
Profit before tax	B11	1,968	13,470	1,968	13,470
Tax expense	B5	(1,832)	(3,469)	(1,832)	(3,469)
Profit for the financial period		136	10,001	136	10,001
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		-	32	-	32
Total other comprehensive income for the financial period		-	32	-	32
Profit and total comprehensive income for the financial period		136	10,033	136	10,033
Profit attributable to:					
Owners of the Company		118	9,886	118	9,886
Non-controlling interests		18	115	18	115
Profit for the financial period		136	10,001	136	10,001
Total comprehensive income attributable to:					
Owners of the Company		118	9,918	118	9,918
Non-controlling interests		18	115	18	115
Profit and total comprehensive income for the financial period		136	10,033	136	10,033
Basic and diluted earnings per ordinary shares (sen)	B10	0.03	2.25	0.03	2.25

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Engtex Group Berhad (Company No: 536693-X)

**Condensed Consolidated Statement of Changes In Equity
For the financial period ended 31 March 2019**

	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 January 2019	269,934	(85)	(4,275)	419,426	685,000	18,993	703,993
Profit and total comprehensive income for the financial period	-	-	-	118	118	18	136
At 31 March 2019	269,934	(85)	(4,275)	419,544	685,118	19,011	704,129
At 1 January 2018	269,934	(85)	(3,645)	409,783	675,987	19,461	695,448
Adjustment on initial application of MFRS 9	-	-	-	(248)	(248)	(15)	(263)
At 1 January 2018, restated	269,934	(85)	(3,645)	409,535	675,739	19,446	695,185
Foreign currency translation differences for foreign operations	-	32	-	-	32	-	32
Total other comprehensive income for the financial period	-	32	-	-	32	-	32
Profit for the financial period	-	-	-	9,886	9,886	115	10,001
Profit and total comprehensive income for the financial period	-	32	-	9,886	9,918	115	10,033
Own shares acquired	-	-	(512)	-	(512)	-	(512)
At 31 March 2018	269,934	(53)	(4,157)	419,421	685,145	19,561	704,706

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Engtex Group Berhad (Company No: 536693-X)**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2019**

	3 months ended 31 March	
	2019	2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,968	13,470
<i>Adjustments for:</i>		
Allowance for impairment losses on trade receivables	125	120
Allowance for impairment losses written back on trade receivables	(169)	(32)
Bad debts written off	1	-
Depreciation of:		
- investment properties	222	214
- property, plant and equipment	6,024	5,905
- right-of-use assets	72	-
Finance cost	5,666	7,138
Gain on disposal of property, plant and equipment	(46)	(105)
Interest income	(306)	(674)
Inventories written down	-	113
Property, plant and equipment written off	-	23
	<hr/>	<hr/>
Operating profit before changes in working capital	13,557	26,172
Changes in:		
Inventories	71,200	(89,013)
Receivables, deposits and prepayments	31,467	11,609
Contract assets	-	(14,434)
Payables and accruals	2,310	(18,296)
Property under development	(8)	67,023
	<hr/>	<hr/>
Cash generated from operations	118,526	(16,939)
Interest paid	(595)	(547)
Net tax paid	(2,308)	(3,110)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	115,623	(20,596)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,719)	(7,902)
Interest received	306	674
Proceeds from disposal of property, plant and equipment	60	124
	<hr/>	<hr/>
Net cash used in investing activities	(3,353)	(7,104)

Engtex Group Berhad (Company No: 536693-X)**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2019**

	3 months ended 31 March	
	2019 RM'000	2018 RM'000
Cash flows from financing activities		
Interest paid	(5,763)	(7,000)
Net (repayment of)/proceeds from other borrowings	(73,183)	994
Payment of lease liabilities	(67)	-
Repayments of:		
- finance lease liabilities	(1,202)	(1,725)
- term loans	(12,188)	(5,369)
Proceeds from/ (Repayment of):		
- finance lease liabilities	-	92
- revolving credit	(7,358)	11,606
Repurchase of treasury shares	-	(512)
Net cash used in financing activities	(99,761)	(1,914)
Net increase/ (decrease) in cash and cash equivalents	12,509	(29,614)
Effect of exchange rate fluctuation on cash held	-	(10)
Cash and cash equivalents at the beginning of financial period	16,214	85,689
Cash and cash equivalents at the end of financial period	28,723	56,065

Note:

Cash and cash equivalents comprise:

	As at 31 March	
	2019 RM'000	2018 RM'000
Cash and bank balances	23,159	20,859
Deposits are placed with:		
- licensed banks	19,119	19,214
- other corporations	11,375	49,346
	53,653	89,419
Less:		
Bank overdrafts	(23,817)	(32,068)
Deposits pledged	(1,113)	(1,286)
	28,723	56,065

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

Engtex Group Berhad (Company No: 536693-X)

Notes to the interim financial report for the financial quarter ended 31 March 2019

A. Compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and Bursa Listing Requirements

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with MFRS 134 – *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018. The accounting policies and methods of computation followed by the Group in this interim financial report are consistent with those adopted in the financial statements of the Group for the financial year ended 31 December 2018 except for the following:

(a) Adoption of new and revised MFRSs, Amendments to MFRS and IC Interpretations

In the current financial period ended 31 March 2019, the Group adopted the following standards, amendments and interpretations which applicable to its financial statement effective for annual periods beginning on or after 1 January 2019:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures**

* *The Amendments is not applicable to the Group.*

The above applicable standards, amendments and interpretations are expected to have no significant impact on the financial statements of the Group upon their initial application except as mentioned in **Note (b)** below.

Engtex Group Berhad (Company No: 536693-X)

(b) Adoption of MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

As allowed by the transitional provision of MFRS 16, the Group has elected the modified retrospective approach with no restatement of comparatives and the cumulative adjustments resulting from the initial application of MFRS 16 to be recognised in retained earnings and reserves as at 1 January 2019.

On the date of initial application, the Group recognised the right-of-use assets and lease liabilities of RM903,067 for its leases previously classified as operating leases.

The impacts arising from the adoption of MFRS 16 on the financial statements are summarised as follows:

Statement of financial position

	As at 31/12/18 RM'000	Effects of MFRS 16 RM'000	As at 1/1/19 RM'000
Non-current assets			
Right-of-use assets	-	903	903
Non-current liabilities			
Lease liabilities	-	(629)	(629)
Current liabilities			
Lease liabilities	-	(274)	(274)

A2. Qualification of Audit Report

The audit report of the Group's preceding annual financial statements was reported without qualification.

A3. Seasonal or cyclical factors

The business of the Group was not affected by any significant seasonal or cyclical factors in the current financial quarter.

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

The business of the Group was not affected by any significant unusual items affecting assets, liabilities, equity, net income or cash flows in the current financial quarter and financial year-to-date.

Engtex Group Berhad (Company No: 536693-X)

A5. Material changes in estimates

There were no material changes in estimates used in reporting the current financial quarter as compared to the financial statements of the Group for the financial year ended 31 December 2018.

A6. Debt and Equity Securities

On 24 May 2019, the shareholders of the Company granted their approval for the Company's plan to repurchase its ordinary shares at the Eighteenth Annual General Meeting held on even date.

As at the end of the current financial quarter, a total of 3,954,600 ordinary shares were repurchased from the open market at an average price of RM1.08 per share for a total cash consideration of RM4,274,816. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Other than the above, there were no other issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

A7. Dividend paid

No dividend was paid during the current financial quarter.

A8. Operating segment information

The Group has 4 reportable segments, as described below, which are the Group's strategic business units. For each strategic business units, the Group Managing Director and the Board of Directors review management reports on at least a quarterly basis. The following summary described the operations in each of the Group reportable segments:

Wholesale and distribution	Includes wholesale and distribution of pipes, valves, fittings, plumbing materials, steel related products, general hardware products and construction materials.
Manufacturing	Includes manufacture and sale of steel and ductile iron pipes and fittings, valves, manhole covers, hydrants, industrial casting products, welded wire mesh, hard-drawn wire, steel bars and other steel related products.
Property development	Includes property development and investment activities.
Hospitality	Includes provision of rooms, food and beverage, meeting and function rooms, and other hospitality services.

Engtex Group Berhad (Company No: 536693-X)

The reportable segment information for the financial period ended 31 March 2019 is as follows:

<i>Business segments</i>	Wholesale & distribution RM'000	Manufacturing RM'000	Property development RM'000	Hospitality RM'000	Total RM'000
External revenue	162,063	107,759	2,367	2,059	274,248
Inter segment revenue	10,213	46,655	150	64	57,082
Total reportable revenue	172,276	154,414	2,517	2,123	331,330
Reportable segment profit/(loss)*	10,894	3,794	(246)	(603)	13,839
Reportable segment assets	447,336	486,343	204,294	98,318	1,236,291
Reportable segment liabilities	(246,155)	(224,244)	(52,275)	(34,737)	(557,411)

Reconciliation of reportable segment profit or loss for the financial period ended 31 March 2019

	RM'000
Total profit for reportable segments	13,839
Other non-reportable segment loss	(188)
Elimination of inter-segment transactions	(5)
Depreciation and amortisation	(6,318)
Finance costs	(5,666)
Interest income	306
Consolidated profit before tax	1,968

* Refer to profit before interest, tax, depreciation and amortisation.

A9. Subsequent Events

There were no subsequent material events since the end of the date of the last annual reporting period until 17 May 2019, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the financial year under review.

A10. Changes in the composition of the Group

There was no change in the composition of the Group for the current financial quarter under review.

Engtex Group Berhad (Company No: 536693-X)

A11. Contingent liabilities

As at the end of the current financial quarter, the contingent liabilities of the Company as represented by the outstanding banking and credit facilities of the subsidiaries are as follows:

	31 March 2019 RM'000	31 December 2018 RM'000
Corporate guarantees issued to:		
- financial institutions for banking facilities granted to its subsidiaries	433,278	540,142
- suppliers for credit facilities granted to its subsidiaries	15,343	6,748
	<u>448,621</u>	<u>546,890</u>

B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B)

B1. Review of performance

	3 months ended 3 March	
	2019 RM'000	2018 RM'000
Revenue	274,248	298,199
Segment profit	13,651	25,529
Profit before tax	1,968	13,470
Profit after tax	136	10,001
Profit attributable to Owners of the Company	118	9,886

The net revenue and profit before taxation for the first quarter ended 31 March 2019 was 8.0% and 85.4% lower than the preceding year corresponding period mainly due to the soft market demand for the most part of its manufactured steel products and unsold property units. The declining profit before tax was further exacerbated by the increased procurement and operating costs for certain metal related trading products and manufactured steel products.

On the financial position review for the three months ended 31 March 2019, the Group's equity attributable to owners of the Company marginally increased from RM685.0 million as at 31 December 2018 to RM685.1 million as at 31 March 2019 in line with earnings, and the net assets per share of the Group remained at RM1.59. The reduction in procurement of raw materials and trading inventories during the period and tightening working capital requirement has resulted in the decrease in bank borrowings, net of cash and cash equivalents, from RM486.4 million as at 31 December 2018 to RM380.1 million as at 31 March 2019. Accordingly, the net gearing has improved from 0.69 times as at 31 December 2018 to 0.54 times as at 31 March 2019 which enables better flexibility in cash flow management as well as sturdier financial position to weather the remaining year ahead.

Wholesale and distribution division

The wholesale and distribution division recorded a net revenue of RM162.0 million in 2019 representing a 0.1% decrease as compared to 2018, and contributed 59.1% of the Group's net revenue. The division recorded a lower segment profit and profit before tax of RM10.9 million and RM6.1 million respectively, representing a decrease of 19.1% and 32.6% respectively as compared to 2018. The decrease in revenue and profit before tax was mainly due to soft market demand and increased procurement cost for certain metal related trading products..

Engtex Group Berhad (Company No: 536693-X)

Manufacturing division

The manufacturing division recorded a net revenue of RM107.8 million in 2019 representing a decrease of 15.2% as compared to 2018, and contributed 39.3% of the Group's net revenue. The lower revenue was mainly due to the softening market demand for mild steel concrete-lined pipes and wire mesh products. Correspondingly, the division recorded a lower segment profit of RM3.8 million and loss before tax RM1.0 million representing a decrease of 73.8% and 112.2% respectively as compared to 2018. The sharp decrease in profitability was further exacerbated by the increased procurement cost of raw materials and the high operating cost. The division accounted for 27.8% of the Group's segment profit.

Property development division

The division recorded a lower net revenue of RM2.3 million in 2019 as compared to RM6.6 million in 2018 and contributed 0.9% to the Group's net revenue. The revenue was solely contributed by the completed Amanja project in Kepong with 59.8% sold at end of current quarter. The division continued to register loss before tax mainly due to low revenue arising from the weak property market demand and operating cost to maintain its unsold property stocks located in Kepong and Selayang.

Hospitality division

The division recorded a lower net revenue of RM2.1 million in 2019 (2018: RM2.2 million) in line with lower average occupancy rate of 60.0% (2018: 64.5%) from its three operating hotels. Consequently, the division recorded a higher loss before tax of RM2.1 million (2018: RM1.6 million) mainly due to high operating cost.

B2. Comparison with preceding financial quarter's results

	3 months ended	
	31/3/19	31/12/18
	RM'000	RM'000
Revenue	274,248	308,496
Profit/(Loss) before tax	1,968	(4,721)

The decrease in revenue as compared to preceding quarter ended 31 December 2018 was mainly due to soft market demand for certain metal related trading products and manufactured steel products. The lower profit before taxation in the current quarter was mainly due to high operating costs for the most part of manufactured steel products and hospitality division. In addition, the preceding quarter's loss before taxation included stocks written down of RM7.4 million.

B3. Prospects

The Malaysian economy grew moderately at 4.5% in the first quarter of 2019 (4Q 2018: 4.7%), driven mainly by the expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.1% (4Q 2018: 1.3%). Domestic demand remained the key driver of growth. Domestic demand expanded by 4.4% in the first quarter (4Q 2018: 5.7%), driven by firm household spending amid weaker capital expenditure. Moderation across most sectors partially offset by a rebound in growth of the agriculture sector. The services sector growth moderated as the wholesale and retail trade subsector registered slower growth following the post-tax holiday normalisation. The construction sector registered lower growth reflecting slower activities in the non-residential, civil engineering and special trade subsectors. In the non-residential and residential subsectors, growth remained weak due to the oversupply of commercial properties and a high number of unsold residential properties.

Engtex Group Berhad (Company No: 536693-X)

Growth in the Malaysian economy to remain steady in 2019 against the backdrop of a challenging global environment. Growth will be supported by continued expansion in domestic demand amid a moderate support from the external sector. Private sector spending is expected to remain the key driver of growth. Although consumer sentiments have moderated from its recent peak, household spending will be underpinned by continued income and employment growth. Investment activity is estimated to improve, driven by ongoing capacity expansion in key sectors, with additional support from new manufacturing investments, as reflected by the high MIDA investment approvals. Nevertheless, overall growth may be partially weighed down by lower public sector spending. (Source: Bank Negara Malaysia Quarterly Bulletin for Q1 2019)

The performance of the Group was affected by factors such as the domestic demand, the volatility in the international and domestic metal prices and the delay in the implementation of projects in the construction, utilities, infrastructure and property development sectors. The outlook in the forthcoming year will remain challenging. Notwithstanding this, the wholesale and distribution division will continue to focus on expanding its existing customer network and product range and sourcing for new products locally and abroad. The manufacturing division will improve, automate, optimise and expand its operating capacity and continue to look for new business opportunity. The Group is currently installing a new ductile iron pipe production line to produce pipe with diameter up to 1,200mm and this line will be commissioned by the second quarter of 2019 to broaden the range of product sizes in the water and sewerage sectors. The property division does not intend to launch new property development projects on its existing land bank in light of the weak property market other than selling its remaining unsold residential and commercial properties in Kepong and Selayang. The hotel division will focus on increasing its revenue stream by increasing their average occupancy and room rates, and targeting the right customer mix to achieve higher gross operating profits to meet its finance cost and depreciation incurred.

B4. Profit Forecast and/or Profit Guarantee

Not applicable as no profit forecast was published.

B5. Tax expense

	Individual quarter 3 months ended 31/3/19 RM'000	Cumulative quarter 3 months ended 31/3/19 RM'000
Tax expense		
- current year	2,700	2,700
Deferred tax expense		
- origination and reversal of temporary differences	(868)	(868)
	<u>1,832</u>	<u>1,832</u>
Reconciliation of tax expense		
Income tax using Malaysian tax rate	472	472
Income not subject to tax	(7)	(7)
Non-deductible expenses	1,367	1,367
Tax expense	<u>1,832</u>	<u>1,832</u>

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed for the financial quarter under review.

Engtex Group Berhad (Company No: 536693-X)

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2019 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Denominated in Ringgit Malaysia</i>			
Term loans	70,820	-	70,820
Finance lease liabilities	883	-	883
	<u>71,703</u>	<u>-</u>	<u>71,703</u>
Current			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	10,320	13,497	23,817
Revolving credit	-	58,590	58,590
Bills payables	29,822	213,296	243,118
Term loans	28,043	-	28,043
Bridging loans	5,248	-	5,248
Finance lease liabilities	3,235	-	3,235
	<u>76,668</u>	<u>285,383</u>	<u>362,051</u>

B8. Changes in Material Litigation

There was no impending material litigation as at 17 May 2019, being the date not earlier than 7 days from the date of this announcement.

B9. Dividend declared

The Board does not recommend any interim dividend for the financial quarter ended 31 March 2019.

B10. Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share for the current financial quarter ended 31 March 2019 are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue as follows:

	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2019	2018	2019	2018
Profit attributable to owners of the Company (RM'000)	<u>118</u>	<u>9,886</u>	<u>118</u>	<u>9,886</u>
<i>Weighted average number of ordinary shares ('000)</i>				
Number of ordinary shares issued as at 1 January	443,319	443,319	443,319	443,319
Effects of shares repurchased	(3,954)	(3,375)	(3,954)	(3,375)
Weighted average number of ordinary shares as at 31 March	<u>439,365</u>	<u>439,944</u>	<u>439,365</u>	<u>439,944</u>
Basic and diluted earnings per ordinary share (sen)	<u>0.03</u>	<u>2.25</u>	<u>0.03</u>	<u>2.25</u>

Engtex Group Berhad (Company No: 536693-X)

B11. Profit before tax

	Individual quarter 3 months ended 31/3/19 RM'000	Cumulative quarter 3 months ended 31/3/19 RM'000
Profit before tax is arrived at after charging:		
Allowance for impairment losses on trade receivables	125	125
Bad debt written off	1	1
Depreciation of:		
- investment properties	222	222
- property, plant and equipment	6,024	6,024
- right-of-use assets	72	72
Finance cost	5,666	5,666
and after crediting:		
Allowance for impairment losses written back on trade receivables	169	169
Gain on disposal of property, plant and equipment	46	46
Interest income	306	306
Realised gain on foreign exchange, net	83	83
Rental income:		
- land and building	254	254
- vehicles	15	15
	=====	=====

B12. Capital commitment

	31 March 2019 RM'000
Property, plant and equipment	
Contracted but not provided for	1,633
	=====

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 31 March 2019 were as follows:

	RM'000
Sales	(1,296)
Purchases	2,356
Rental income	(37)
Rental expenses	592
Consultancy fee expenses	154
	=====

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

Engtex Group Berhad (Company No: 536693-X)

B14. Provision of financial assistance

Pursuant to paragraph 8.23(1) of the Listing Requirements, the amount of financial assistance provided by the Company and its subsidiaries is as follows:

	31 March 2019 RM'000	31 December 2018 RM'000
Corporate guarantees issued to :		
- financial institutions for banking facilities granted to its non wholly-owned subsidiaries	65,106	71,716
- suppliers for credit facilities granted to its non wholly-owned subsidiaries	646	412
	<u>65,752</u>	<u>72,128</u>

The above financial assistance does not have a material financial impact on the Group.