

Engtex Group Berhad (Company No: 536693-X)**Quarterly Report on consolidated results
For the First Quarter ended 31 March 2020**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position
As at 31 March 2020**

	Note	As at 31 March 2020 RM'000	Audited As at 31 December 2019 RM'000
<u>ASSETS</u>			
Property, plant and equipment		340,594	344,379
Right-of-use assets		43,512	43,738
Investment properties		41,431	41,673
Deferred tax assets		6,719	6,676
Total non-current assets		432,256	436,466
Inventories		417,427	434,423
Receivables, deposits and prepayments		353,472	346,076
Current tax assets		1,700	1,300
Cash and bank balances		67,495	71,156
Total current assets		840,094	852,955
TOTAL ASSETS		1,272,350	1,289,421
<u>EQUITY AND LIABILITIES</u>			
Share capital		269,934	269,934
Reserves		412,675	410,215
Total equity attributable to Owners of the Company		682,609	680,149
Non-controlling interests		18,451	18,585
TOTAL EQUITY		701,060	698,734
<u>LIABILITIES</u>			
Loans and borrowings	B7	60,539	63,539
Lease liabilities		526	558
Deferred tax liabilities		11,669	11,597
Total non-current liabilities		72,734	75,694
Payables and accruals		87,645	97,106
Loans and borrowings	B7	405,546	413,494
Lease liabilities		121	121
Current tax liabilities		5,244	4,272
Total current liabilities		498,556	514,993
TOTAL LIABILITIES		571,290	590,687
TOTAL EQUITY AND LIABILITIES		1,272,350	1,289,421
Number of ordinary shares ('000)		443,319	443,319
Net assets per share (RM)		1.58	1.58

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 2020**

	Note	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue		243,545	274,248	243,545	274,248
Cost of sales		(211,474)	(244,657)	(211,474)	(244,657)
Gross profit		32,071	29,591	32,071	29,591
Other operating income		1,211	1,548	1,211	1,548
Operating expenses		(23,233)	(23,505)	(23,233)	(23,505)
Finance costs		(5,310)	(5,666)	(5,310)	(5,666)
Profit before tax	B11	4,739	1,968	4,739	1,968
Tax expense	B5	(2,413)	(1,832)	(2,413)	(1,832)
Profit and total comprehensive income for the financial period		2,326	136	2,326	136
Profit/(Loss) attributable to:					
Owners of the Company		2,460	118	2,460	118
Non-controlling interests		(134)	18	(134)	18
Profit for the financial period		2,326	136	2,326	136
Total comprehensive income/(loss) attributable to:					
Owners of the Company		2,460	118	2,460	118
Non-controlling interests		(134)	18	(134)	18
Profit and total comprehensive income for the financial period		2,326	136	2,326	136
Basic and diluted earnings per ordinary shares (sen)	B10	0.56	0.03	0.56	0.03

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 2019 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 2020**

	/-----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 2020	269,934	(85)	(4,948)	415,248	680,149	18,585	698,734
Profit/(Loss) and total comprehensive income/(loss) for the financial period	-	-	-	2,460	2,460	(134)	2,326
At 31 March 2020	<u>269,934</u>	<u>(85)</u>	<u>(4,948)</u>	<u>417,708</u>	<u>682,609</u>	<u>18,451</u>	<u>701,060</u>
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	<u>269,934</u>	<u>(85)</u>	<u>(4,275)</u>	<u>419,544</u>	<u>685,118</u>	<u>19,011</u>	<u>704,129</u>

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 2019 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 2020**

	Note	3 months ended 31 March	
		2020 RM'000	2019 RM'000
Cash flows from operating activities			
Profit before tax		4,739	1,968
<i>Adjustments for:</i>			
Allowance for impairment losses on trade receivables		230	125
Allowance for impairment losses written back on trade receivables		(106)	(169)
Bad debts written off		-	1
Depreciation of:			
- investment properties		242	222
- property, plant and equipment		5,593	5,823
- right-of-use assets		226	273
Finance costs		5,310	5,666
Gain on disposal of property, plant and equipment		(331)	(46)
Inventories written down		1,270	-
Interest income		(562)	(306)
Operating profit before changes in working capital		16,611	13,557
Changes in:			
Inventories		16,140	71,192
Receivables, deposits and prepayments		(7,520)	31,467
Payables and accruals		(9,461)	2,310
Cash generated from operations		15,770	118,526
Interest paid		(683)	(595)
Net tax paid		(1,812)	(2,308)
Net cash from operating activities		<u>13,275</u>	<u>115,623</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,854)	(3,719)
Interest received		562	306
Proceeds from disposal of property, plant and equipment		556	60
Net cash used in investing activities		<u>(736)</u>	<u>(3,353)</u>
Cash flows from financing activities			
Interest paid		(5,106)	(5,763)
Net proceeds from/(repayment of) other borrowings		3,496	(73,183)
Net repayment of revolving credit		(1,189)	(7,358)
Payment of lease liabilities		(32)	(67)
Repayment of:			
- hire purchase liabilities		(706)	(1,202)
- term loans		(10,353)	(12,188)
Net cash used in financing activities		<u>(13,890)</u>	<u>(99,761)</u>

Engtex Group Berhad (Company No: 536693-X)

**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2020**

Note	3 months ended 31 March	
	2020 RM'000	2019 RM'000
Net (decrease)/increase in cash and cash equivalents	(1,351)	12,509
Cash and cash equivalents at the beginning of financial period	<u>38,370</u>	<u>16,214</u>
Cash and cash equivalents at the end of financial period	<u><u>37,019</u></u>	<u><u>28,723</u></u>

Note:

Cash and cash equivalents comprise:

	As at 31 March	
	2020 RM'000	2019 RM'000
Cash and bank balances	29,311	23,159
Deposits are placed with:		
- licensed banks	3,749	19,119
- other corporations	<u>34,435</u>	<u>11,375</u>
	67,495	53,653
Less:		
Bank overdrafts	(30,476)	(23,817)
Deposits pledged	<u>-</u>	<u>(1,113)</u>
	<u><u>37,019</u></u>	<u><u>28,723</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 2020

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 2019. 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 2019 except for the following:

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

In the current financial period ended 31 March 2020, 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 2020:

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

The above applicable amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

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 World Health Organisation has declared the Coronavirus Disease 2019 (“COVID-19”) a pandemic on 11 March 2020. The COVID-19 outbreak has resulted in the occurrence of events such as movement restrictions and quarantine measures taken by the Government of Malaysia (“the Government”), causing disruption to businesses and economic activities. These measures, which require the temporary closure of all our office and factory premises nationwide commencing from 18 March 2020 onwards have adversely impacted the Group’s operations.

Other than the above, 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.

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 2019.

A6. Debt and Equity Securities

On 22 June 2020, the shareholders of the Company granted their approval for the Company's plan to repurchase its ordinary shares at the Nineteenth Annual General Meeting held on even-date.

As at the end of the current financial quarter, a total of 5,037,300 ordinary shares were repurchased from the open market at an average price of RM0.98 per share for a total cash consideration of RM4,947,899. 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 2020 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	151,987	88,083	1,965	1,510	243,545
Inter segment revenue	5,036	41,854	155	2	47,047
Total reportable revenue	157,023	129,937	2,120	1,512	290,592
Reportable segment profit/(loss)*	9,486	7,517	(107)	(1,038)	15,858
Reportable segment assets	455,200	528,757	177,527	88,202	1,249,686
Reportable segment liabilities	(250,572)	(264,091)	(28,150)	(27,774)	(570,587)

Reconciliation of reportable segment profit or loss for the financial period ended 31 March 2020

	RM'000
Total profit for reportable segments	15,858
Other non-reportable segment loss	(313)
Elimination of inter-segment transactions	3
Depreciation and amortisation	(6,061)
Finance costs	(5,310)
Interest income	562
Consolidated profit before tax	4,739

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

A9. Subsequent Events

As disclosed in Note A4 above, the Group's business closure under the Movement Control Order ("MCO") imposed by the Government commencing on 18 March 2020 was extended until 12 May 2020. Then the Government gave a relaxation of rules and allowed almost all economic sectors to resume their operations subject to rules and standard operating procedures set by the authorities under the Conditional MCO ("CMCO") commencing on 4 May 2020 and was extended until 9 June 2020. The CMCO was then replaced by Recovery MCO ("RMCO") effective from 10 June 2020 until 31 August 2020 with more lenient restrictions. Our hospitality segment saw Ibis Styles hotel located at Bandar Sri Damansara ceased its operation in end May 2020 due to the adverse impact of COVID-19 pandemic.

Other than the above, there were no other material subsequent events since the end of the date of the last annual reporting period until 15 June 2020, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the financial period 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 2020 RM'000	31 December 2019 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	465,540	476,442
- suppliers for credit facilities granted to its subsidiaries	4,669	5,217
	<u>470,209</u>	<u>481,659</u>

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

B1. Review of performance

	3 months ended 31 March	
	2020 RM'000	2019 RM'000
Revenue	243,545	274,248
Segment profit	15,545	13,651
Profit before tax	4,739	1,968
Profit after tax	2,326	136
Profit attributable to Owners of the Company	2,460	118

The net revenue for 2020 was 11.2% lower than the preceding year as all segments suffered revenue loss due to the business closure from 18 March 2020 onwards resulting from the implementation of the MCO. However, there was an increase in profit before tax mainly due to the lower operating costs incurred by certain manufactured steel products.

On the financial position review for the three months ended 31 March 2020, the Group's equity attributable to owners of the Company increased by 0.4% from RM680.1 million as of 31 December 2019 to RM682.6 million as of 31 March 2020, and the net assets per share of the Group was maintained at RM1.58. Given the challenging market environment arising from the COVID-19 pandemic, the Group has managed to conserve cash by reducing its inventories holding and intensify credit control on its trade receivables to repay bank borrowings, in particular loans on non-core assets. This has led to the slight improvement in net gearing from 0.58 times as of 31 December 2019 to 0.57 times as of 31 March 2020.

Wholesale and distribution segment

The wholesale and distribution segment recorded a net revenue of RM152.0 million in 2020, representing a decrease of 6.2% as compared to 2019 and contributed 62.4% of the Group's net revenue. The segment recorded a lower segment profit of RM9.5 million, representing a decrease of 12.9% as compared to 2019 and accounted for 61.0% of the Group's segment profit. The profit before tax increased marginally by 0.1% mainly due to higher interest income from deposits placed with other corporations. The decrease in revenue and segment profit was mainly due to the business closure resulted from the implementation of the MCO. In addition, there was a provision for inventories written down during the period totalling RM1.3 million (2019: Nil).

Engtex Group Berhad (Company No: 536693-X)

Manufacturing segment

The manufacturing segment recorded a net revenue of RM88.1 million in 2020, representing a decrease of 18.3% as compared to 2019 and contributed 36.2% of the Group's net revenue. The lower revenue recorded was mainly due to the business closure resulting from the implementation of the MCO causing certain deliveries of manufactured steel products to be deferred. However, the segment recorded an increase in segment profit by 98.1% as compared to 2019 and accounted for 48.4% of the Group's segment profit. Correspondingly, the segment also recorded a profit before tax of RM1.9 million as compared to a loss before tax of RM1.0 million in 2019. The increase in segment profit and profit before tax was mainly due to the lower operating costs incurred by certain manufactured steel products.

Property development segment

The segment recorded a lower net revenue of RM2.0 million (2019: RM2.4 million) and contributed 0.8% to the Group's net revenue. The revenue was mainly contributed by its completed Amanja project in Kepong. As of end of the current quarter, the total units sold in Amanja stood at 77.2% (2019: 59.8%). The segment continued to register loss before tax of RM0.6 million (2019: RM0.8 million) mainly due to the soft property market and recurring operating costs to maintain its unsold property stocks located in Kepong and Selayang.

Hospitality segment

The segment recorded a lower net revenue of RM1.5 million (2019: RM2.1 million) arising from the decrease in average occupancy rate which stood at 33.2% (2019: 60.0%) from all three operating hotels. The segment was adversely impacted by the booking cancellations, especially the tour groups from China, due to the domestic and worldwide travel restrictions in response to the COVID-19 pandemic outbreak since late January 2020 and the subsequent implementation of the MCO. Consequently, the segment registered a higher loss before tax of RM2.3 million (2019: RM2.1 million) which included borrowing cost and depreciation totalling RM1.4 million (2019: RM1.5 million).

B2. Comparison with preceding financial quarter's results

	3 months ended	
	31/3/20	31/12/19
	RM'000	RM'000
Revenue	243,545	288,825
Profit before tax	4,739	2,962

The net revenue was 15.7% lower as compared to the preceding quarter ended 31 December 2019 as all segments suffered revenue loss due to the business closure from 18 March 2020 onwards resulted from the implementation of the MCO. However, there was an increase in profit before tax mainly due to the lower operating costs incurred by certain manufactured steel products. Included in the preceding quarter profit before tax was the gain on disposal of vacant industrial land at North Port Klang of RM4.5 million.

B3. Prospects

The Malaysian economy, as with most economies, was impacted by COVID-19 pandemic in the first quarter of 2020. The Malaysia economy moderated sharply to 0.7% in the first quarter of 2020 (4Q 2019: 3.6%). On the supply side, the services and manufacturing sectors moderated while the other sectors contracted. In terms of expenditure, external demand and investments declined, while private consumption growth moderated. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted by 2.0%. The moderation reflected the impact of measures taken both globally and domestically to contain the spread of the COVID-19 pandemic. Domestically, it mainly reflected the implementation of the MCO. After a steady expansion in the

Engtex Group Berhad (Company No: 536693-X)

first two months of the quarter, economic activity came to a sharp downshift with the implementation of the MCO on 18 March 2020. Movement restrictions including international and domestic travel restrictions, limited work and operating hours and mandatory social distancing significantly curtailed economic activity. Production was only permitted for essential goods and services and the industries integral to their supply chains. Labour-intensive and consumer-oriented sectors were also impacted. The global and Malaysian economic outlook for 2020 will be significantly impacted by the COVID-19 pandemic as strict measures to contain the spread of the pandemic will weigh considerably on both external demand and domestic growth. The Malaysian economy is expected to contract in the second quarter of 2020. This reflects the longer duration of containment measures both globally and domestically. As these containment measures are eased and the domestic MCO is lifted, economic activity is expected to gradually improve in second half of 2020. The sizable fiscal, monetary and financial measures and progress in transport-related public infrastructure projects will provide further support to growth in the second half of 2020. In line with the projected improvement in global growth, the Malaysian economy is expected to register a positive recovery in 2021. *(Source: Bank Negara Malaysia Quarterly Bulletin for 1Q 2020)*

The Government of Malaysia has announced an Economic Stimulus Package totalling RM260 billion to mitigate the impact of COVID-19 on the well-being of the people, businesses and economy. The Government implemented the MCO on 18 March 2020 and then replaced by CMCO on 4 May 2020 at the early stages of business resumption under stringent standard operating procedures requirement set by the authorities to contain the spread of COVID-19 outbreak. Thereafter RMCO was implemented from 10 June 2020 until 31 August 2020 as part of the Government exit strategy in the wake of COVID-19 pandemic and will see more lenient restrictions on all social, business and economic activities except for areas placed under Enhanced MCO. On 5 June 2020, the Government announced the National Economic Recovery Plan totalling RM35.0 billion to empower the people, propel businesses and stimulate the economy. The GDP growth in 2020 is now projected to be between -2% to +0.5% while the fiscal deficit widens to 5.8% of GDP.

The above local and global economic outlook will provide a challenging platform for our existing businesses in all segments which focus mainly on domestic market. The performance of the Group will be further affected by factors such as the recovery of domestic demand, the volatility in the international and domestic metal prices and the timely implementation of projects in the construction, utilities, infrastructure, property development and hospitality sectors. Notwithstanding this, the wholesale and distribution segment will continue to focus on expanding its existing customer network and product range and sourcing for new products locally and abroad. The manufacturing segment will improve, automate, optimise and expand its operating capacity and continue to look for new business opportunity. The property development segment 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 RMCO period which allowed interstate travelling and domestic tourism is a positive start for the local tourism industry which has been adversely affected by the COVID-19 pandemic. After shutting down the Ibis Styles hotel as mentioned in Note A9, the hospitality segment will closely monitor the performance of the remaining two operating hotels and managing their operating costs to remain sustainable.

B4. Profit Forecast and/or Profit Guarantee

Not applicable as no profit forecast was published.

Engtex Group Berhad (Company No: 536693-X)

B5. Tax expense

	Individual quarter 3 months ended 31/3/20 RM'000	Cumulative quarter 3 months ended 31/3/20 RM'000
Income tax expense		
- current financial year	2,384	2,384
Deferred tax expense		
- origination and reversal of temporary differences	29	29
	<u>2,413</u>	<u>2,413</u>
Reconciliation of tax expense		
Income tax using Malaysian tax rate of 24%	1,138	1,138
Non-deductible expenses	1,371	1,371
Income not subjected to tax	(112)	(112)
Real property gain tax	16	16
	<u>2,413</u>	<u>2,413</u>

B6. Status of Corporate Proposals Announced

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

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2020 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Denominated in Ringgit Malaysia</i>			
Hire purchase liabilities	391	-	391
Term loans	60,148	-	60,148
	<u>60,539</u>	<u>-</u>	<u>60,539</u>
Current			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	8,405	22,071	30,476
Hire purchase liabilities	1,241	-	1,241
Revolving credit	-	58,462	58,462
Bankers' acceptances	49,925	249,567	299,492
Term loans	15,875	-	15,875
	<u>75,446</u>	<u>330,100</u>	<u>405,546</u>

B8. Changes in Material Litigation

There was no impending material litigation as at 15 June 2020, being the date not earlier than 7 days from the date of this announcement.

Engtex Group Berhad (Company No: 536693-X)

B9. Dividend declared

The Board does not recommend any interim dividend for the financial quarter ended 31 March 2020.

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 2020 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	
	2020	2019	2020	2019
Profit attributable to owners of the Company (RM'000)	2,460	118	2,460	118
<i>Weighted average number of ordinary shares ('000)</i>				
Issued ordinary shares as at 1 January	443,319	443,319	443,319	443,319
Effects of treasury shares held	(5,037)	(3,954)	(5,037)	(3,954)
Weighted average number of ordinary shares as at 31 March	438,282	439,365	438,282	439,365
Basic and diluted earnings per ordinary share (sen)	0.56	0.03	0.56	0.03

B11. Profit before tax

	Individual quarter 3 months ended 31/3/20 RM'000	Cumulative quarter 3 months ended 31/3/20 RM'000
Profit before tax is arrived at after charging:		
Allowance for impairment losses on trade receivables	230	230
Depreciation of:		
- investment properties	242	242
- property, plant and equipment	5,593	5,593
- right-of-use assets	226	226
Finance costs	5,310	5,310
Inventories written down	1,270	1,270
and after crediting:		
Allowance for impairment losses written back on trade receivables	106	106
Gain on disposal of property, plant and equipment	331	331
Interest income	562	562
Realised gains on foreign exchange, net	27	27
Rental income on land and buildings	160	160
	=====	=====

Engtex Group Berhad (Company No: 536693-X)

B12. Capital commitment

	31 March 2020 RM'000
Property, plant and equipment	
Contracted but not provided for	5,599
	=====

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 31 March 2020 were as follows:

	RM'000
Sales	(1,251)
Purchases	1,772
Rental income	(18)
Expenses relating to short-term leases	394
Consultancy fee expenses	164
	=====

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

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 2020 RM'000	31 December 2019 RM'000
Corporate guarantees issued to :		
- financial institutions for bank facilities granted to its non wholly-owned subsidiaries	75,298	86,499
- suppliers for credit facilities granted to its non wholly-owned subsidiaries	332	486
	<u>75,630</u>	<u>86,985</u>

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