

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

**Quarterly Report on consolidated results
For the Fourth Quarter ended 31 December 2020**

(The figures have not been audited)

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

	Note	As at 31 December 2020 RM'000	Audited As at 31 December 2019 RM'000
<u>ASSETS</u>			
Property, plant and equipment		335,056	344,379
Right-of-use assets		42,896	43,738
Investment properties		41,265	41,673
Deferred tax assets		6,588	6,676
Total non-current assets		425,805	436,466
Inventories		443,790	434,423
Receivables, deposits and prepayments		369,755	346,076
Current tax assets		756	1,300
Cash and bank balances		99,368	71,156
Total current assets		913,669	852,955
TOTAL ASSETS		1,339,474	1,289,421
<u>EQUITY AND LIABILITIES</u>			
Share capital		269,934	269,934
Reserves		421,851	410,215
Total equity attributable to Owners of the Company		691,785	680,149
Non-controlling interests		19,081	18,585
TOTAL EQUITY		710,866	698,734
<u>LIABILITIES</u>			
Loans and borrowings	B7	54,872	63,539
Lease liabilities		483	558
Deferred tax liabilities		12,189	11,597
Total non-current liabilities		67,544	75,694
Payables and accruals		91,283	97,106
Loans and borrowings	B7	463,135	413,494
Lease liabilities		68	121
Current tax liabilities		6,578	4,272
Total current liabilities		561,064	514,993
TOTAL LIABILITIES		628,608	590,687
TOTAL EQUITY AND LIABILITIES		1,339,474	1,289,421
Number of ordinary shares ('000)		443,319	443,319
Net assets per share (RM)		1.60	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

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 31 December 2020**

	Note	Individual quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue		318,468	288,825	989,583	1,117,180
Cost of sales		(273,265)	(261,175)	(861,744)	(999,316)
Gross profit		45,203	27,650	127,839	117,864
Other operating income		2,445	5,631	8,230	14,128
Operating expenses		(26,870)	(24,856)	(89,905)	(97,375)
Finance costs		(4,215)	(5,463)	(18,317)	(22,728)
Profit before tax	B11	16,563	2,962	27,847	11,889
Tax expense	B5	(4,983)	(6,355)	(11,941)	(13,124)
Profit/(Loss) and total comprehensive income/(loss) for the financial year		11,580	(3,393)	15,906	(1,235)
Profit/(Loss) attributable to:					
Owners of the Company		10,911	(3,097)	15,352	(884)
Non-controlling interests		669	(296)	554	(351)
Profit/(Loss) for the financial year		11,580	(3,393)	15,906	(1,235)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		10,911	(3,097)	15,352	(884)
Non-controlling interests		669	(296)	554	(351)
Profit/(Loss) and total comprehensive income/(loss) for the financial year		11,580	(3,393)	15,906	(1,235)
Basic and diluted earnings/(loss) per ordinary shares (sen)	B10	2.50	(0.71)	3.51	(0.20)

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

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Changes In Equity
For the financial year ended 31 December 2020**

Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable					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	Total RM'000		
At 1 January 2020	269,934	(85)	(4,948)	415,248	680,149	18,585	698,734
Profit and total comprehensive income for the financial year	-	-	-	15,352	15,352	554	15,906
Own shares acquired	-	-	(980)	-	(980)	-	(980)
Dividends to owners of the Company	-	-	-	(2,736)	(2,736)	-	(2,736)
Total transactions with owners of the Company	-	-	(980)	(2,736)	(3,716)	-	(3,716)
Dividends to non-controlling interests	-	-	-	-	-	(58)	(58)
At 31 December 2020	269,934	(85)	(5,928)	427,864	691,785	19,081	710,866
At 1 January 2019	269,934	(85)	(4,275)	419,426	685,000	18,993	703,993
Loss and total comprehensive loss for the financial year	-	-	-	(884)	(884)	(351)	(1,235)
Own shares acquired	-	-	(673)	-	(673)	-	(673)
Dividends to owners of the Company	-	-	-	(3,294)	(3,294)	-	(3,294)
Total transactions with owners of the Company	-	-	(673)	(3,294)	(3,967)	-	(3,967)
Dividends to non-controlling interests	-	-	-	-	-	(57)	(57)
At 31 December 2019	269,934	(85)	(4,948)	415,248	680,149	18,585	698,734

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

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 December 2020**

	Note	12 months ended 31 December	
		2020 RM'000	2019 RM'000
Cash flows from operating activities			
Profit before tax		27,847	11,889
<i>Adjustments for:</i>			
Bad debts written off		1	118
Depreciation of:			
- investment properties		928	885
- property, plant and equipment		21,868	22,518
- right-of-use assets		833	830
Finance costs		18,317	22,728
(Gain)/Loss on disposal of:			
- asset held for sale		-	(2,126)
- investment properties		-	64
- property, plant and equipment		(467)	180
- right-of-use assets		-	(4,541)
Gain on derecognition of right-of-use assets		(1)	-
Interest income		(2,394)	(1,930)
Inventories written down		8,773	3,992
Net loss/(gain) on impairment of financial assets at amortised cost		978	(1,478)
Property, plant and equipment written off		23	84
Operating profit before changes in working capital		76,706	53,213
Changes in:			
Inventories		(16,941)	57,367
Receivables, deposits and prepayments		(25,178)	21,727
Payables and accruals		(5,823)	(8,140)
Cash generated from operations		28,764	124,167
Interest paid		(2,065)	(2,531)
Net tax paid		(8,411)	(11,752)
Net cash from operating activities		<u>18,288</u>	<u>109,884</u>
Cash flows from investing activities			
Acquisition of:			
- investment properties		-	(574)
- property, plant and equipment		(12,181)	(20,461)
- right-of-use assets		-	(4,611)
Released of pledged deposits placed with licensed banks		-	1,113
Interest received		2,394	1,930
Proceeds from disposal of:			
- asset held for sale		-	7,323
- investment properties		-	40
- property, plant and equipment		719	358
- right-of-use assets		-	14,405
Net cash used in investing activities		<u>(9,068)</u>	<u>(477)</u>

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Cash Flows
For the financial year ended 31 December 2020**

	Note	12 months ended 31 December	
		2020 RM'000	2019 RM'000
Cash flows from financing activities			
Dividends paid to:			
- non-controlling interests		(58)	(57)
- owners of the Company		(2,736)	(3,294)
Interest paid		(17,675)	(22,546)
Net proceeds from/(repayment of) other borrowings		89,605	(25,553)
Net repayment of revolving credit		(10,294)	(6,297)
Payment of lease liabilities		(118)	(141)
Proceeds from term loan		-	7,500
Repayment of:			
- hire purchase liabilities		(1,853)	(4,015)
- term loans		(15,099)	(32,175)
Repurchase of treasury shares		(980)	(673)
Net cash from/(used in) financing activities		<u>40,792</u>	<u>(87,251)</u>
Net increase in cash and cash equivalents		50,012	22,156
Cash and cash equivalents at the beginning of financial year		<u>38,370</u>	<u>16,214</u>
Cash and cash equivalents at the end of financial year		<u><u>88,382</u></u>	<u><u>38,370</u></u>

Note:*Cash and cash equivalents comprise:*

	As at 31 December	
	2020 RM'000	2019 RM'000
Cash and bank balances	43,484	37,901
Deposits are placed with:		
- licensed banks	14,851	5,578
- other corporations	<u>41,033</u>	<u>27,677</u>
	99,368	71,156
Less:		
Bank overdrafts	<u>(10,986)</u>	<u>(32,786)</u>
	<u><u>88,382</u></u>	<u><u>38,370</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

Registration No. 200101000937 (536693-X)

Notes to the interim financial report for the financial quarter ended 31 December 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 year ended 31 December 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 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 except for the factors as disclosed under note B1.

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.

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

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.

During the current financial quarter, the Company repurchased 976,400 of its issued share capital from the open market at an average price of RM0.46 per share plus the transactions cost for a total cash consideration of RM450,834.

As of current financial year to date, the Company repurchased 1,938,900 of its issued share capital from the open market at an average price of RM0.51 per share including transactions cost. The total consideration paid was RM980,170. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016. There were 6,976,200 treasury shares held at end of the current financial quarter.

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

Registration No. 200101000937 (536693-X)

The reportable segment information for the financial year ended 31 December 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	593,004	383,833	9,859	2,887	989,583
Inter segment revenue	49,489	185,906	244	13	235,652
Total reportable revenue	642,493	569,739	10,103	2,900	1,225,235
Reportable segment profit/(loss)*	36,457	36,746	(1,546)	(2,788)	68,869
Reportable segment assets	484,416	580,603	167,946	84,374	1,317,339
Reportable segment liabilities	(265,317)	(313,332)	(23,707)	(25,655)	(628,011)

Reconciliation of reportable segment profit or loss for the financial year ended 31 December 2020

	RM'000
Total profit for reportable segments	68,869
Other non-reportable segment loss	(1,044)
Elimination of inter-segment transactions	(426)
Depreciation and amortisation	(23,629)
Finance costs	(18,317)
Interest income	2,394
Consolidated profit before tax	27,847

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

A9. Subsequent events

There were no other material subsequent events since the end of the date of the last annual reporting period until 18 February 2021, 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

Registration No. 200101000937 (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 December 2020 RM'000	31 December 2019 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	517,601	476,442
- suppliers for credit facilities granted to its subsidiaries	6,633	5,217
	<u>524,234</u>	<u>481,659</u>

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

B1. Review of performance

	12 months ended 31 December	
	2020 RM'000	2019 RM'000
Revenue	989,583	1,117,180
Segment profit	67,825	57,834
Profit before tax	27,847	11,889
Profit/(Loss) after tax	15,906	(1,235)
Profit/(Loss) attributable to Owners of the Company	15,352	(884)

The net revenue for 2020 was 11.4% lower than the preceding year mainly due to the total business closure from 18 March 2020 until 3 May 2020 resulted from the implementation of the Movement Control Order (“MCO”) by the Government of Malaysia (“GOM”) and thereafter the subsequent resumption of businesses in stages subject to the rules and standard operating procedures set by the authorities. However, the profit before tax was 134.2% higher than the preceding year mainly due to the better cost management in the procurement of raw materials and operations for certain of its manufacturing plants.

On the financial position review for the year ended 31 December 2020, the Group’s equity attributable to owners of the Company increased marginally by 1.7% from RM680.1 million as of 31 December 2019 to RM691.8 million as of 31 December 2020 mainly due to increased retained earnings. Consequently, the net assets per share of the Group increased from RM1.58 as of 31 December 2019 to RM1.60 as of 31 December 2020. The Group has been vigilant on credit control, inventories holding and cash flow management given the challenging market environment arising from the COVID-19 pandemic. This has resulted in the net gearing ratio of 0.58 times as of 31 December 2019 to increase only marginally to 0.59 times as of 31 December 2020.

Wholesale and distribution segment

The wholesale and distribution segment recorded a net revenue of RM593.0 million in 2020, representing a decrease of 9.0% as compared to 2019 and contributed 59.9% of the Group’s net revenue. The segment profit and profit before tax of RM36.5 million and RM24.1 million respectively represented a decrease of 10.4% and 3.5% respectively as compared to 2019. This accounted for 53.8% of the Group’s segment profit and the overall Group’s profitability. The

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

decrease in revenue and profit before tax was mainly due to the business closure from 18 March 2020 to 3 May 2020 resulted from the implementation of the MCO. The inventories written down during the financial year was approximately RM6.5 million (2019: RM3.8 million).

Manufacturing segment

The manufacturing segment recorded a net revenue of RM383.8 million in 2020, representing a decrease of 10.7% as compared to 2019 and contributed 38.8% of the Group's net revenue. The lower revenue recorded was mainly due to the business closure from 18 March 2020 to 3 May 2020 resulted from the implementation of the MCO. However, there was an increase in segment profit of RM36.7 million, representing an increase by 81.9% as compared to 2019 and a profit before tax of RM16.0 million as compared to a loss before tax of RM2.2 million in 2019. This accounted for 54.2% of the Group's segment profit and the overall Group's profitability. The increase in segment profit and profit before tax was mainly due to the better cost management in the procurement of raw materials and operations for certain of its manufacturing plants. The inventories written down during the financial year was approximately RM0.6 million (2019: RM0.1 million).

Property development segment

The segment recorded a lower net revenue of RM9.9 million (2019: RM25.8 million) and contributed 1.0% to the Group's net revenue. The revenue was mainly contributed by its Amanja project in Kepong. The total residential units sold as of 31 December 2020 for Amanja project stood at 81.7% (2019: 75.9%).

The segment registered a loss before tax of RM3.1 million (2019: RM2.6 million) mainly due to the soft property market exacerbated by the MCO, recurring operating costs to maintain its unsold property stocks located in Kepong and Selayang, and inventories written down for unsold property stocks in Selayang during the financial year of approximately RM1.6 million (2019: Nil).

Hospitality segment

The segment recorded a significant decrease in net revenue of RM2.9 million (2019: RM9.9 million) arising from the decrease in average occupancy rate which stood at 21.5% (2019: 65.6%). The division was adversely impacted by the international and domestic travel restrictions in response to the COVID-19 pandemic outbreak since late January 2020, the business closure arising from the implementations of the MCO and Controlled MCO ("CMCO") from 18 March 2020 to 9 June 2020, and the reinstatement of CMCO in designated states which include Kuala Lumpur, Selangor and Putrajaya from 14 October 2020 onwards which banned Meetings, Incentives, Conventions and Exhibitions ("MICE") sector amid a third wave of the pandemic. The segment closed its hotel operations at Ibis Styles hotel located at Bandar Sri Damansara to curtail further operating losses during the second quarter. Consequently, the segment registered a higher loss before tax of RM7.9 million (2019: RM7.1 million) which included borrowing cost and depreciation totalling RM5.4 million (2019: RM5.7 million).

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

B2. Comparison with preceding financial quarter's results

	3 months ended	
	31/12/20	30/9/20
	RM'000	RM'000
Revenue	318,468	289,394
Profit before tax	16,563	13,846

The increase in revenue as compared to the preceding quarter ended 30 September 2020 was mainly due to the increase in market demand for certain metal related trading products and manufactured steel products. The corresponding increase in profit before tax was mainly due to the better cost management in the procurement of raw materials and operations for certain of its manufacturing plants.

B3. Prospects

The economy registered a negative growth of 3.4% in the fourth quarter (3Q 2020: -2.6%), largely attributable to the imposition of the CMCO on a number of states since mid October 2020. For 2020 as a whole, the economy contracted by 5.6%. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity during the fourth quarter. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. While near-term growth in 2021 will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter 2021 onwards. The improvement will be driven by the recovery in global demand where the International Monetary Fund ("IMF") has revised upwards their 2021 global growth forecast from 5.2% to 5.5%. The vaccine roll-out which will commence in February 2021 is also expected to lift sentiments. *(Source: Economic and Financial Developments in Malaysia in the 4th Quarter of 2020)*

The GOM allocates RM2.5 billion for contractors in Class G1 to G4 to carry out small and medium projects nationwide with high multiplier effect to the economy. The infrastructure of industrial areas nationwide will be improved which includes the development of water treatment plant in Bukit Kayu Hitam, Kedah and RM45 million to meet the water supply needs in Gebeng, Pahang. RM2.7 billion is also allocated to implement various rural infrastructure projects which covers RM1.3 billion for roads, RM632 million for water supply etc. The GOM will focus on a 5-year development agenda under the 12th Malaysia Plan, among others, the RM15.0 billion transport infrastructure development which includes the Pan Borneo Highway, Gemas-Johor Bahru electrified double track, Klang Valley double track Phase 1, Mass Rail Transit 3 in the Klang Valley etc., RM3.8 billion large new roads and bridges projects in various states, RM780 million for the five regional corridors of economic development, and RM150 million for raw water transfer project to Melaka. Sabah and Sarawak will receive development expenditure totalling RM5.1 billion and RM4.5 billion respectively, among others, for the building and upgrading of water, electricity and roads. *(Source: Malaysian Budget 2021)*

The above uncertainties in 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 and property development 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

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

segment will focus on selling its remaining unsold residential and commercial properties in Kepong and Selayang, and explore property development opportunities on its existing land bank. The re-introduction of MCO in designated states including Selangor, Kuala Lumpur and Putrajaya from 13 January 2021 onwards which imposes inter-district and inter-state travels and prohibition of the MICE sector have put a dampening effect on the hospitality industry which has been adversely affected by the COVID-19 pandemic. After shutting down one hotel as mentioned under the hospitality segment in Note B1, the hospitality segment will closely monitor the performance of the remaining two operating hotels and managing their operating costs to remain sustainable.

The performance of the Group remains challenging in the forthcoming year which is dependent on the domestic demand and global economic environment.

B4. Profit Forecast and/or Profit Guarantee

Not applicable as no profit forecast was published.

B5. Tax expense

	Individual quarter 3 months ended 31/12/20 RM'000	Cumulative quarter 12 months ended 31/12/20 RM'000
Income tax expense		
- current financial year	4,776	11,736
- over provision in prior financial year	(613)	(642)
Real property gain tax		
- current financial year	-	10
- over provision in prior financial year	(1)	(107)
Deferred tax expense		
- origination and reversal of temporary differences	821	944
	<hr/> 4,983	<hr/> 11,941
Reconciliation of tax expense		
Income tax using Malaysian tax rate of 24%	3,975	6,683
Non-deductible expenses	1,690	6,274
Income not subjected to tax	(37)	(246)
Real property gain tax	-	10
Utilisation of reinvestment allowance	(31)	(31)
Over provision in prior financial year	(614)	(749)
	<hr/> 4,983	<hr/> 11,941

B6. Status of Corporate Proposals Announced

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

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

B7. Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Denominated in Ringgit Malaysia</i>			
Hire purchase liabilities	206	-	206
Term loans	54,666	-	54,666
	<u>54,872</u>	<u>-</u>	<u>54,872</u>
Current			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	6,476	4,510	10,986
Hire purchase liabilities	580	-	580
Revolving credit	-	49,357	49,357
Bankers' acceptances	59,634	325,967	385,601
Term loans	16,611	-	16,611
	<u>83,301</u>	<u>379,834</u>	<u>463,135</u>

B8. Changes in Material Litigation

There was no impending material litigation as at 18 February 2021, being the date not earlier than 7 days from the date of this announcement.

B9. Dividend declared

The Directors recommend a final single tier dividend of 0.75 sen totalling RM3,272,573 in respect of the year ended 31 December 2020, which is subject to the approval by our shareholders at the forthcoming Annual General Meeting. This proposed dividend has not been included in the financial statements.

B10. Basic and diluted earnings/(loss) per ordinary share

The calculation of basic and diluted earnings/(loss) per ordinary share for the current financial quarter and the financial year ended 31 December 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 December		Cumulative quarter 12 months ended 31 December	
	2020	2019	2020	2019
Profit/(Loss) attributable to owners of the Company (RM'000)	<u>10,911</u>	<u>(3,097)</u>	<u>15,352</u>	<u>(884)</u>
<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	(6,690)	(5,037)	(5,661)	(4,368)
Weighted average number of ordinary shares as at 31 December	<u>436,629</u>	<u>438,282</u>	<u>437,658</u>	<u>438,951</u>
Basic and diluted earnings/(loss) per ordinary share (sen)	<u>2.50</u>	<u>(0.71)</u>	<u>3.51</u>	<u>(0.20)</u>

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

B11. Profit before tax

	Individual quarter 3 months ended 31/12/20 RM'000	Cumulative quarter 12 months ended 31/12/20 RM'000
Profit before tax is arrived at after charging:		
Bad debts written off	-	1
Depreciation of:		
- investment properties	201	928
- property, plant and equipment	5,205	21,868
- right-of-use assets	172	833
Finance costs	4,215	18,317
Inventories written down	2,752	8,773
Net loss on impairment of financial assets at amortised cost	665	978
Property, plant and equipment written off	23	23
and after crediting:		
Gain on disposal of property, plant and equipment	79	467
Gain on derecognition of right-of-use assets	-	1
Interest income	1,022	2,394
Realised gain on foreign exchange, net	38	52
Rental income on land and buildings	149	652
	=====	=====

B12. Capital commitment

	31 December 2020 RM'000
Property, plant and equipment	
Authorised but not contracted for	18,610
Contracted but not provided for	12,655

	31,265
	=====

B13. Related party transactions

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

	RM'000
Sales	(6,025)
Purchases	9,009
Rental income	(72)
Expenses relating to short-term leases	1,577
Consultancy fee expenses	456
	=====

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

Engtex Group Berhad

Registration No. 200101000937 (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 December 2020 RM'000	31 December 2019 RM'000
Corporate guarantees issued to :		
- financial institutions for bank facilities granted to its non wholly-owned subsidiaries	80,447	86,499
- suppliers for credit facilities granted to its non wholly-owned subsidiaries	88	486
	<u>80,535</u>	<u>86,985</u>

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