

Engtex Group Berhad
Registration No. 200101000937 (536693-X)

Quarterly Report on consolidated results
For the First Quarter ended 31 March 2022
(The figures have not been audited)

Condensed Consolidated Statement of Financial Position
As at 31 March 2022

| | Note | As at 31 March 2022 RM'000 | Audited As at 31 December 2021 RM'000 |
|---|------|-------------------------------------|---|
| <u>ASSETS</u> | | | |
| Property, plant and equipment | | 353,724 | 350,059 |
| Right-of-use assets | | 42,174 | 42,376 |
| Investment properties | | 41,100 | 41,340 |
| Deferred tax assets | | 3,214 | 3,620 |
| Total non-current assets | | <u>440,212</u> | <u>437,395</u> |
| Inventories | | 518,000 | 483,964 |
| Receivables, deposits and prepayments | | 412,612 | 374,157 |
| Current tax assets | | 712 | 763 |
| Cash and bank balances | | 131,977 | 122,994 |
| Assets classified as held for sale | | 10,852 | 11,054 |
| Total current assets | | <u>1,074,153</u> | <u>992,932</u> |
| TOTAL ASSETS | | <u>1,514,365</u> | <u>1,430,327</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Share capital | | 269,934 | 269,934 |
| Reserves | | 517,528 | 499,351 |
| Total equity attributable to Owners of the Company | | <u>787,462</u> | <u>769,285</u> |
| Non-controlling interests | | <u>21,656</u> | <u>21,527</u> |
| TOTAL EQUITY | | <u>809,118</u> | <u>790,812</u> |
| <u>LIABILITIES</u> | | | |
| Loans and borrowings | B7 | 40,120 | 39,213 |
| Lease liabilities | | 511 | 548 |
| Deferred tax liabilities | | 11,380 | 10,448 |
| Total non-current liabilities | | <u>52,011</u> | <u>50,209</u> |
| Payables and accruals | | 88,293 | 117,620 |
| Loans and borrowings | B7 | 552,686 | 459,877 |
| Lease liabilities | | 156 | 163 |
| Current tax liabilities | | 12,101 | 11,646 |
| Total current liabilities | | <u>653,236</u> | <u>589,306</u> |
| TOTAL LIABILITIES | | <u>705,247</u> | <u>639,515</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>1,514,365</u> | <u>1,430,327</u> |
| Number of ordinary shares ('000) | | <u>443,319</u> | <u>443,319</u> |
| Net assets per share (RM) | | <u>1.83</u> | <u>1.78</u> |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 period ended 31 March 2022**

| | Note | Individual quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|---|------|--|-----------|--|-----------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 370,857 | 324,651 | 370,857 | 324,651 |
| Cost of sales | | (319,431) | (269,623) | (319,431) | (269,623) |
| Gross profit | | 51,426 | 55,028 | 51,426 | 55,028 |
| Administrative expenses | | (13,567) | (13,048) | (13,567) | (13,048) |
| Distribution costs | | (9,032) | (9,443) | (9,032) | (9,443) |
| Net loss on impairment of financial instruments | | (58) | (30) | (58) | (30) |
| Other operating expenses | | (2) | (100) | (2) | (100) |
| Other operating income | | 600 | 400 | 600 | 400 |
| Operating profit | | 29,367 | 32,807 | 29,367 | 32,807 |
| Finance costs | | (4,604) | (4,046) | (4,604) | (4,046) |
| Finance income | | 193 | 407 | 193 | 407 |
| Profit before tax | B11 | 24,956 | 29,168 | 24,956 | 29,168 |
| Tax expense | B5 | (6,650) | (7,789) | (6,650) | (7,789) |
| Profit and total comprehensive income for the financial period | | 18,306 | 21,379 | 18,306 | 21,379 |
| Profit and total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 18,177 | 20,792 | 18,177 | 20,792 |
| Non-controlling interests | | 129 | 587 | 129 | 587 |
| Profit and total comprehensive income for the financial period | | 18,306 | 21,379 | 18,306 | 21,379 |
| Basic and diluted earnings per ordinary shares (sen) | B10 | 4.18 | 4.77 | 4.18 | 4.77 |

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Changes In Equity
For the financial period ended 31 March 2022**

| | /-----Attributable to owners of the Company-----/ | | | | | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|---|---|----------------------------------|------------------------------|-------------------------------|---|-----------------|--|---------------------------|
| | Share capital RM'000 | Translation reserve RM'000 | Treasury shares RM'000 | Warrants reserve RM'000 | Distributable Retained earnings RM'000 | | | |
| At 1 January 2022 | 269,934 | - | (6,601) | 2,924 | 503,028 | 769,285 | 21,527 | 790,812 |
| Profit and total comprehensive income for the financial period | - | - | - | - | 18,177 | 18,177 | 129 | 18,306 |
| At 31 March 2022 | 269,934 | - | (6,601) | 2,924 | 521,205 | 787,462 | 21,656 | 809,118 |
| At 1 January 2021 | 269,934 | (85) | (5,928) | - | 427,936 | 691,857 | 19,102 | 710,959 |
| Profit and total comprehensive income for the financial period | - | - | - | - | 20,792 | 20,792 | 587 | 21,379 |
| Dividends to non-controlling interests | - | - | - | - | - | - | (87) | (87) |
| At 31 March 2021 | 269,934 | (85) | (5,928) | - | 448,728 | 712,649 | 19,602 | 732,251 |

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2022**

| | 3 months ended 31 March | |
|---|------------------------------------|---------------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 24,956 | 29,168 |
| <i>Adjustments for:</i> | | |
| Depreciation of: | | |
| - investment properties | 240 | 244 |
| - property, plant and equipment | 5,390 | 5,480 |
| - right-of-use assets | 197 | 229 |
| Finance costs | 4,604 | 4,046 |
| Finance income | (193) | (407) |
| Gain on derecognition of right-of-use assets | -* | - |
| Gain on disposal of: | | |
| - assets classified as held for sale | (24) | - |
| - property, plant and equipment | (15) | (30) |
| Inventories written down | 1,800 | 1,530 |
| Net loss on impairment of financial instruments | 58 | 30 |
| Plant and equipment written off | -* | 96 |
| | <hr/> | <hr/> |
| Operating profit before changes in working capital | 37,013 | 40,386 |
| Changes in: | | |
| Inventories | (35,811) | 31,980 |
| Receivables, deposits and prepayments | (38,513) | 5,957 |
| Payables and accruals | (29,327) | (969) |
| | <hr/> | <hr/> |
| Cash (used in)/generated from operations | (66,638) | 77,354 |
| Interest paid | (240) | (217) |
| Net tax paid | (4,806) | (2,074) |
| | <hr/> | <hr/> |
| Net cash (used in)/from operating activities | (71,684) | 75,063 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (8,675) | (13,750) |
| Pledged deposits placed with a licensed bank | - | (600) |
| Interest received | 193 | 407 |
| Proceeds from disposal of: | | |
| - assets classified as held for sale | 260 | - |
| - property, plant and equipment | 15 | 30 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (8,207) | (13,913) |
| | <hr/> | <hr/> |

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**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2022**

| | 3 months ended 31 March | |
|---|------------------------------------|------------------------|
| | 2022 RM'000 | 2021 RM'000 |
| Cash flows from financing activities | | |
| Dividends paid to non-controlling interest | - | (87) |
| Interest paid | (4,594) | (4,156) |
| Net proceeds from/(repayment of): | | |
| - bankers' acceptances | 110,039 | (7,665) |
| - revolving credit | (14,150) | (11,100) |
| Proceeds from term loan | 6,001 | - |
| Payment of lease liabilities | (39) | (36) |
| Repayment of: | | |
| - hire purchase liabilities | (173) | (205) |
| - term loans | (4,040) | (4,401) |
| Net cash from/(used in) financing activities | <u>93,044</u> | <u>(27,650)</u> |
| Net increase in cash and cash equivalents | 13,153 | 33,500 |
| Cash and cash equivalents at the beginning of financial period | <u>110,542</u> | <u>88,397</u> |
| Cash and cash equivalents at the end of financial period | <u>123,695</u> | <u>121,897</u> |

* Denotes amount less than RM500.

Note:*Cash and cash equivalents comprise:*

| | As at 31 March | |
|---|---------------------------|------------------------|
| | 2022 RM'000 | 2021 RM'000 |
| Cash and bank balances | 51,733 | 42,630 |
| Deposits placed with licensed banks | 35,514 | 36,696 |
| Highly liquid investments with other institutions | 44,730 | 49,267 |
| | 131,977 | 128,593 |
| Less: | | |
| Deposit pledged | (600) | (600) |
| Bank overdrafts | (7,682) | (6,096) |
| | <u>123,695</u> | <u>121,897</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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Notes to the interim financial report for the financial quarter ended 31 March 2022

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 2021. 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 2021 except for the following:

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

In the current financial period ended 31 March 2022, the Group adopted the following standards, amendments and interpretations that effective for annual periods beginning on or after 1 April 2021 and 1 January 2022 to its financial statement, except for amendments to MFRS 1 and amendments to MFRS 141 which are not applicable to the Group:

- Amendments to MFRS 16, *Leases – Covid-19 - Related Rent Concessions beyond 30 June 2021*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provision, Contingent Liabilities and Contingent Assets – Onerous Contracts – Costs of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

The above applicable amendments are expected to have no significant impact to 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 year.

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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.

A5. Material changes in estimates

There were no material changes in estimates used in reporting the current financial period as compared to the financial statements of the Group for the financial year ended 31 December 2021.

A6. Debt and Equity Securities

On 26 May 2022, the shareholders of the Company granted their approval for the Company's plan to repurchase its ordinary shares at the Twenty-First Annual General Meeting held on even-date.

As at 31 March 2022, the Company held a total of 8,095,300 of its own shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

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. |

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The reportable segment information for the financial period ended 31 March 2022 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 | 190,125 | 177,723 | 1,659 | 1,350 | 370,857 |
| Inter segment revenue | 24,227 | 59,243 | 80 | - | 83,550 |
| Total reportable revenue | 214,352 | 236,966 | 1,739 | 1,350 | 454,407 |
| Reportable segment profit/(loss)* | 16,370 | 19,744 | (60) | (519) | 35,535 |
| Reportable segment assets | 551,922 | 711,379 | 149,207 | 79,736 | 1,492,244 |
| Reportable segment liabilities | (293,004) | (375,509) | (16,010) | (20,006) | (704,529) |

Reconciliation of reportable segment profit or loss for the financial period ended 31 March 2022

| | RM'000 |
|---|---------------|
| Total profit for reportable segments | 35,535 |
| Other non-reportable segment loss | (338) |
| Elimination of inter-segment transactions | (3) |
| Depreciation | (5,827) |
| Finance costs | (4,604) |
| Finance income | 193 |
| Consolidated profit before tax | 24,956 |

* Refer to profit before interest, tax and depreciation.

A9. Subsequent events

There were no other material subsequent events since the end of the date of the last annual reporting period until 19 May 2022, 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 material change in the composition of the Group for the current financial quarter under review.

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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 2022 RM'000 | 31 December 2021 RM'000 |
|--|-------------------------------------|--|
| Corporate guarantees issued to: | | |
| - financial institutions for bank facilities granted to its subsidiaries | 592,677 | 499,024 |
| - suppliers for credit facilities granted to its subsidiaries | 7,447 | 7,359 |
| | <u>600,124</u> | <u>506,383</u> |

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

B1. Review of performance

| | 3 months ended 31 March | |
|--|------------------------------------|------------------------|
| | 2022 RM'000 | 2021 RM'000 |
| Revenue | 370,857 | 324,651 |
| Segment profit | 35,197 | 38,746 |
| Profit before tax | 24,956 | 29,168 |
| Profit after tax | 18,306 | 21,379 |
| Profit attributable to Owners of the Company | 18,177 | 20,792 |

The Group recorded an increase in net revenue for the current financial period ended 31 March 2022 as compared to the preceding year mainly attributable to the increase in market demand for certain metal-related trading products and manufactured steel products. However, the corresponding decrease in profit before tax was mainly due to the increase in production costs for certain manufactured steel products.

On the financial position review for the three months ended 31 March 2022, the Group's equity attributable to owners of the Company increased by 2.4% from RM769.3 million as of 31 December 2021 to RM787.5 million as of 31 March 2022 mainly due to the increased retained earnings. Consequently, the net assets per share of the Group increased from RM1.78 as of 31 December 2021 to RM1.83 as of 31 March 2022. The increased in net gearing ratio from 0.48 times as of 31 December 2021 to 0.57 times as of 31 March 2022 was mainly due to the increased bank borrowings to procure raw materials and trading inventories, and to finance trade receivables and working capitals.

Wholesale and distribution segment

The wholesale and distribution segment recorded a net revenue of RM190.1 million (2021: RM173.7 million) which represented an increase of 9.4% and contributed 51.3% of the Group's net revenue. The segment profit and profit before tax of RM16.4 million (2021: RM15.3 million) and RM12.9 million (2021: RM12.4 million) respectively represented an increase of 7.3% and 4.7% respectively. The segment accounted for 46.5% of the Group's segment profit and 51.8% of the Group's profit before tax. The increase in revenue and profit before tax was mainly driven by the increased market demand for certain of its metal-related trading products in tandem with the increase in international and domestic metal prices.

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Manufacturing segment

The manufacturing segment recorded a net revenue of RM177.7 million (2021: RM143.6 million) which represented an increase of 23.8% and contributed 47.9% of the Group's net revenue. The higher revenue was mainly driven by the increased market demand in tandem with the increase in domestic steel prices. However, the segment recorded a lower segment profit and profit before tax of RM19.7 million (2021: RM24.3 million) and RM14.4 million (2021: RM19.3 million) respectively which accounted for 56.1% of the Group's segment profit and 57.9% of the Group's profit before tax. The decrease in profit before tax was mainly due to higher production costs arising from the increase in procurement cost of raw materials and lower production output for certain manufactured steel products.

Property development segment

The segment recorded a lower net revenue of RM1.7 million (2021: RM6.7 million) and contributed 0.4% to the Group's net revenue. The revenue was mainly derived from the sale of property in Tiara Residence project located at Selayang. The total residential units sold as of 31 March 2022 for Amanja project was 87.5% (2021: 86.2%) and Tiara Residence project was 89.1% (2021: 82.6%).

The segment continued to register a loss before tax of RM0.4 million (2021: RM0.4 million) to maintain its unsold property stocks.

Hospitality segment

The segment recorded an increase in net revenue of RM1.4 million (2021: RM0.7 million) in line with the higher average occupancy rate of 37.6% (2021: 25.2%) from its two operating hotels. The Ibis Styles hotel located at Bandar Sri Damansara was temporarily closed since May 2020 to curtail further operating loss. This has resulted in the segment registering a lower loss before tax of RM1.6 million (2021: RM1.7 million) which included borrowing cost and depreciation totalling RM1.2 million (2021: RM1.3 million).

The Government of Malaysia reopens its international border to foreign arrivals on 1 April 2022 as Malaysia enters the transition to the endemic phase and this will augur well to the hospitality industry. In this regard, the Ibis Styles hotel reopens for business on 18 April 2022.

B2. Comparison with preceding financial quarter's results

| | 3 months ended | |
|-------------------|-----------------------|-----------------|
| | 31/3/22 | 31/12/21 |
| | RM'000 | RM'000 |
| Revenue | 370,857 | 373,352 |
| Profit before tax | 24,956 | 34,932 |

The decrease in revenue and profit before tax as compared to the preceding quarter ended 31 December 2021 was mainly attributable to the decrease in market demand for certain manufactured steel products.

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B3. Prospects

The Malaysian economy registered a positive growth of 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). This was mainly supported by the improving domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the job market, with the unemployment rate declining further to 4.1% (4Q 2021: 4.3%). Strong external demand amid the continued upcycle in global technology provided further lift to growth. On the supply side, services and manufacturing sectors continue to drive economic growth, expanding by 6.5% and 6.6% respectively. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 3.9% (4Q 2021: 4.6%). The domestic economy is expected to improve further in 2022, with growth projected at 5.3% to 6.3% as announced in March 2022. This is underpinned by stronger domestic demand, continued expansion in external demand, and further improvement in the labour market. The expected economic growth would also benefit from the easing of restrictions, reopening of international borders and implementation of investment projects. Nevertheless, risks to Malaysia's growth momentum may include a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding COVID-19 and heightened financial market volatility. (*Source: Bank Negara Malaysia Quarterly Bulletin First Quarter 2022*)

The above uncertainties in local and global economic outlook will pose challenges for our existing businesses in all segments which focus mainly on domestic market. The performance of the Group will rely on 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 segment will focus on selling its remaining unsold residential and commercial properties located at Kepong and Selayang, and explore property development opportunities or sale of its existing landbank. As Malaysia commences its transition to the endemic phase and reopens its international border to foreign arrivals on 1 April 2022, the hospitality segment has reopened the Ibis Styles hotel located at Bandar Sri Damansara on 18 April 2022, and all three hotels shall continue to focus on increasing its revenue from the letting of rooms to the local and foreign tourists, and meetings, incentives, conferences and exhibitions ("MICE") activities to achieve gross operating profits.

The performance of the Group during the year remains challenging as it is dependent on the domestic demand.

B4. Profit Forecast and/or Profit Guarantee

Not applicable as no profit forecast was published.

B5. Tax expense

| | Individual quarter 3 months ended 31/3/22 RM'000 | Cumulative quarter 3 months ended 31/3/22 RM'000 |
|--|---|---|
| Income tax expense | | |
| - current financial year | 5,320 | 5,320 |
| Real property gain tax | 4 | 4 |
| Deferred tax expense | | |
| - origination and reversal of temporary differences | 1,326 | 1,326 |
| | <u>6,650</u> | <u>6,650</u> |
| Reconciliation of tax expense | | |
| Income tax using Malaysian tax rate of 24% | 5,989 | 5,989 |
| Non-deductible expenses | 906 | 906 |
| Income not subjected to tax | (6) | (6) |
| Real property gain tax | 4 | 4 |
| Utilisation of previously unrecognised deferred tax benefits | (243) | (243) |
| | <u>6,650</u> | <u>6,650</u> |

B6. Status of Corporate Proposals Announced

On 11 March 2022, the Company entered into a conditional share sale and purchase agreement with third parties for the disposal of its entire 67% equity interest and disposal by a non-controlling shareholder of his entire 33% equity interest in Corporate Benchmark Sdn. Bhd. for a cash consideration of RM13,500,000. The transaction is pending completion.

Other than the above, there were no corporate proposals announced but not completed for the financial period under review.

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March 2022 were as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|--|---------------------------|-----------------------------|-------------------------|
| Non-current | | | |
| <i>Denominated in Ringgit Malaysia</i> | | | |
| Hire purchase liabilities | 375 | - | 375 |
| Term loans | 39,745 | - | 39,745 |
| | <u>40,120</u> | <u>-</u> | <u>40,120</u> |
| Current | | | |
| <i>Denominated in Ringgit Malaysia</i> | | | |
| Bank overdrafts | 4,781 | 2,901 | 7,682 |
| Hire purchase liabilities | 539 | - | 539 |
| Revolving credit | - | 61,151 | 61,151 |
| Bankers' acceptances | 104,122 | 362,303 | 466,425 |
| Term loans | 16,889 | - | 16,889 |
| | <u>126,331</u> | <u>426,355</u> | <u>552,686</u> |

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B8. Changes in Material Litigation

There was no impending material litigation as at 19 May 2022, 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 2022.

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 2022 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 | | Cumulative quarter | |
|---|--------------------|----------------|--------------------|----------------|
| | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
| | 31 March | 31 March | 31 March | 31 March |
| | 2022 | 2021 | 2022 | 2021 |
| Profit attributable to owners of the Company (RM'000) | 18,177 | 20,792 | 18,177 | 20,792 |
| <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 | (8,095) | (6,976) | (8,095) | (6,976) |
| Weighted average number of ordinary shares as at 31 March | 435,224 | 436,343 | 435,224 | 436,343 |
| Basic and diluted earnings per ordinary share (sen) | 4.18 | 4.77 | 4.18 | 4.77 |

* The diluted earnings per share is presented the same as basic earnings per share given that the Group does not have any dilutive potential ordinary share or warrants in issue.

B11. Profit before tax

| | Individual quarter | Cumulative quarter |
|--|--------------------|--------------------|
| | 3 months ended | 3 months ended |
| | 31/3/22 | 31/3/22 |
| | RM'000 | RM'000 |
| Profit before tax is arrived at after charging/(crediting): | | |
| Depreciation of: | | |
| - investment properties | 240 | 240 |
| - property, plant and equipment | 5,390 | 5,390 |
| - right-of-use assets | 197 | 197 |
| Finance costs | 4,604 | 4,604 |
| Finance income | (193) | (193) |
| Gain on derecognition of right-of-use assets | -* | -* |
| Gain on disposal of: | | |
| - assets classified as held for sale | (24) | (24) |
| - property, plant and equipment | (15) | (15) |

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| | Individual quarter 3 months ended 31/3/22 RM'000 | Cumulative quarter 3 months ended 31/3/22 RM'000 |
|---|---|---|
| Inventories written down | 1,800 | 1,800 |
| Net loss on impairment of financial instruments | | |
| - trade receivables | 58 | 58 |
| Plant and equipment written off | -* | -* |
| Realised gain on foreign exchange, net | (118) | (118) |
| Rental income: | | |
| - land and buildings | (201) | (201) |
| - vehicle | (24) | (24) |
| | ===== | ===== |

* denotes amount less than RM500.

B12. Capital commitment

| | 31 March 2022 RM'000 |
|--------------------------------------|-------------------------------------|
| Property, plant and equipment | |
| Authorised but not contracted for | 11,842 |
| Contracted but not provided for | 11,640 |
| | <u>23,482</u> |

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 31 March 2022 were as follows:

| | RM'000 |
|--|---------------|
| Sales | (1,503) |
| Purchases | 4,117 |
| Rental income | (42) |
| Expenses relating to short-term leases | 409 |
| Consultancy fee expenses | 168 |
| | ===== |

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

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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 2022 RM'000 | 31 December 2021 RM'000 |
|---|-------------------------------------|--|
| Corporate guarantees issued to : | | |
| - financial institutions for bank facilities granted to its non-wholly owned subsidiaries | 104,174 | 59,670 |
| - suppliers for credit facilities granted to its non-wholly owned subsidiaries | 191 | 185 |
| | <u>104,365</u> | <u>59,855</u> |

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