

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

**Quarterly Report on consolidated results
For the Second Quarter ended 30 June 2022**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position
As at 30 June 2022**

	Note	As at 30 June 2022 RM'000	Audited As at 31 December 2021 RM'000
<u>ASSETS</u>			
Property, plant and equipment		354,655	350,059
Right-of-use assets		41,954	42,376
Investment properties		40,860	41,340
Deferred tax assets		3,355	3,620
Total non-current assets		440,824	437,395
Inventories		484,646	483,964
Receivables, deposits and prepayments		412,906	374,157
Current tax assets		894	763
Cash and bank balances		118,876	122,994
Assets classified as held for sale		10,590	11,054
Total current assets		1,027,912	992,932
TOTAL ASSETS		1,468,736	1,430,327
<u>EQUITY AND LIABILITIES</u>			
Share capital		269,934	269,934
Reserves		528,107	499,351
Total equity attributable to Owners of the Company		798,041	769,285
Non-controlling interests		23,067	21,527
TOTAL EQUITY		821,108	790,812
<u>LIABILITIES</u>			
Loans and borrowings	B7	36,350	39,213
Lease liabilities		478	548
Deferred tax liabilities		10,900	10,448
Total non-current liabilities		47,728	50,209
Payables and accruals		75,227	117,620
Loans and borrowings	B7	504,971	459,877
Lease liabilities		149	163
Dividend payable	A9	4,352	-
Current tax liabilities		15,201	11,646
Total current liabilities		599,900	589,306
TOTAL LIABILITIES		647,628	639,515
TOTAL EQUITY AND LIABILITIES		1,468,736	1,430,327
Number of ordinary shares ('000)		443,319	443,319
Net assets per share (RM)		1.85	1.78

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

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 30 June 2022**

	Note	Individual quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Revenue		370,701	241,456	741,558	566,107
Cost of sales		(319,530)	(199,957)	(638,961)	(469,580)
Gross profit		51,171	41,499	102,597	96,527
Administrative expenses		(15,072)	(12,710)	(28,639)	(25,758)
Distribution costs		(11,527)	(7,054)	(20,559)	(16,497)
Net gain on impairment of financial instruments		233	47	175	17
Other operating expenses		(135)	(87)	(137)	(187)
Other operating income		1,463	338	2,063	738
Operating profit		26,133	22,033	55,500	54,840
Finance costs		(4,781)	(4,097)	(9,385)	(8,143)
Finance income		565	388	758	795
Profit before tax	B11	21,917	18,324	46,873	47,492
Tax expense	B5	(5,274)	(5,567)	(11,924)	(13,356)
Profit and total comprehensive income for the financial period		16,643	12,757	34,949	34,136
Profit and total comprehensive income attributable to:					
Owners of the Company		15,232	12,547	33,409	33,339
Non-controlling interests		1,411	210	1,540	797
Profit and total comprehensive income for the financial period		16,643	12,757	34,949	34,136
Basic and diluted earnings per ordinary shares (sen)	B10	3.50	2.88	7.68	7.64

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 30 June 2022

	/-----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	Warrants reserve RM'000	Retained earnings RM'000	Total 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	-	-	-	-	33,409	33,409	1,540	34,949
Own shares acquired	A6	-	(301)	-	-	(301)	-	(301)
Dividends to owners of the Company	A9	-	-	-	(4,352)	(4,352)	-	(4,352)
Total transactions with owners of the Company		-	(301)	-	(4,352)	(4,653)	-	(4,653)
At 30 June 2022	269,934	-	(6,902)	2,924	532,085	798,041	23,067	821,108
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	-	-	-	-	33,339	33,339	797	34,136
Realisation of translation reserve due to strike off of a subsidiary	-	85	-	-	-	85	-	85
Dividends to owners of the Company		-	-	-	(3,272)	(3,272)	-	(3,272)
Total transactions with owners of the Company		-	-	-	(3,272)	(3,272)	-	(3,272)
Dividends to non-controlling interests		-	-	-	-	-	(87)	(87)
At 30 June 2021	269,934	-	(5,928)	-	458,003	722,009	19,812	741,821

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 30 June 2022**

	6 months ended	
	30 June	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	46,873	47,492
<i>Adjustments for:</i>		
Bad debt written off	118	-
Depreciation of:		
- investment properties	480	497
- property, plant and equipment	10,362	10,913
- right-of-use assets	417	461
Finance costs	9,385	8,143
Finance income	(758)	(795)
Gain on derecognition of right-of-use assets	(1)	-
Gain on disposal of:		
- assets classified as held for sale	(48)	-
- property, plant and equipment	(80)	(30)
Inventories written down	2,839	4,870
Loss from striking off a subsidiary	-	85
Net gain on impairment of financial instruments	(175)	(17)
Plant and equipment written off	1	96
	<hr/>	<hr/>
Operating profit before changes in working capital	69,413	71,715
Changes in:		
Inventories	(3,440)	(19,085)
Receivables, deposits and prepayments	(38,692)	49,551
Payables and accruals	(42,393)	(22,431)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(15,112)	79,750
Interest paid	(406)	(421)
Net tax paid	(7,783)	(3,343)
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Net cash (used in)/from operating activities	(23,301)	75,986
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Cash flows from investing activities		
Acquisition of property, plant and equipment	(13,377)	(18,000)
Pledged deposits placed with a licensed bank	-	(600)
Interest received	758	795
Proceeds from disposal of:		
- assets classified as held for sale	558	-
- property, plant and equipment	80	30
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Net cash used in investing activities	(11,981)	(17,775)
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**Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 June 2022**

	6 months ended 30 June	
	2022 RM'000	2021 RM'000
Cash flows from financing activities		
Dividends paid to non-controlling interest	-	(87)
Interest paid	(9,489)	(8,399)
Net proceeds from/(repayment of):		
- bankers' acceptances	68,002	(37,868)
- revolving credit	(21,206)	24,655
Proceeds from term loan	6,001	-
Payment of lease liabilities	(78)	(74)
Repayment of:		
- hire purchase liabilities	(490)	(366)
- term loans	(8,246)	(8,757)
Repurchase of treasury shares	(301)	-
Net cash from/(used in) financing activities	34,193	(30,896)
Net (decrease)/increase in cash and cash equivalents	(1,089)	27,315
Cash and cash equivalents at the beginning of financial period	110,542	88,397
Cash and cash equivalents at the end of financial period	109,453	115,712

Note:*Cash and cash equivalents comprise:*

	As at 30 June	
	2022 RM'000	2021 RM'000
Cash and bank balances	61,060	55,581
Deposits placed with licensed banks	24,006	19,961
Highly liquid investments with other institutions	33,810	50,829
	118,876	126,371
Less:		
Deposit pledged	(600)	(600)
Bank overdrafts	(8,823)	(10,059)
	109,453	115,712

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 30 June 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 30 June 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.

During the current financial quarter, the Company repurchased 500,000 of its issued share capital from the open market at an average price of RM0.60 per share plus the transactions cost for a total cash consideration of RM301,440.

As at 30 June 2022, the Company held a total of 8,595,300 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 30 June 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	349,955	385,228	3,196	3,179	741,558
Inter segment revenue	46,756	113,008	100	8	159,872
Total reportable revenue	396,711	498,236	3,296	3,187	901,430
Reportable segment profit/(loss)*	28,639	40,008	100	(1,221)	67,526
Reportable segment assets	506,104	709,120	147,135	78,834	1,441,193
Reportable segment liabilities	(268,878)	(340,659)	(13,640)	(19,712)	(642,889)

Reconciliation of reportable segment profit or loss for the financial period ended 30 June 2022

	RM'000
Total profit for reportable segments	67,526
Other non-reportable segment loss	(764)
Elimination of inter-segment transactions	(3)
Depreciation	(11,259)
Finance costs	(9,385)
Finance income	758
Consolidated profit before tax	46,873

* Refer to profit before interest, tax and depreciation.

A9. Subsequent events

The approved single tier dividend of 1.0 sen per ordinary share totalling RM4,352,240 in respect of the financial year ended 31 December 2021 has been subsequently paid on 1 July 2022 to depositors whose names in the Record of Depositors on 15 June 2022.

Other than the above, there were no other material subsequent events since the end of the date of the last annual reporting period until 18 August 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:

	30 June 2022 RM'000	31 December 2021 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	540,763	499,024
- suppliers for credit facilities granted to its subsidiaries	7,060	7,359
	<u>547,823</u>	<u>506,383</u>

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

B1. Review of performance

	6 months ended 30 June	
	2022 RM'000	2021 RM'000
Revenue	741,558	566,107
Segment profit	66,762	66,824
Profit before tax	46,873	47,492
Profit after tax	34,949	34,136
Profit attributable to Owners of the Company	33,409	33,339

The Group recorded an increase in net revenue for the current financial period ended 30 June 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 marginal decrease in profit before tax was mainly due to the higher production costs for certain manufactured steel products arising from the higher cost of raw materials.

On the financial position review for the six months ended 30 June 2022, the Group's equity attributable to owners of the Company increased by 3.7% from RM769.3 million as of 31 December 2021 to RM798.0 million as of 30 June 2022 mainly due to the increase in retained earnings. Consequently, the net assets per share of the Group increased from RM1.78 as of 31 December 2021 to RM1.85 as of 30 June 2022. The increase in net gearing ratio from 0.48 times as of 31 December 2021 to 0.51 times as of 30 June 2022 was mainly due to the increase in bank borrowings to procure raw materials and trading inventories at higher prices, besides financing trade receivables and to support other working capital requirements.

Wholesale and distribution segment

The wholesale and distribution segment recorded a net revenue of RM350.0 million (2021: RM317.3 million) which represented an increase of 10.3% and contributed 47.2% of the Group's net revenue. The segment profit and profit before tax of RM28.6 million (2021: RM26.8 million) and RM22.1 million (2021: RM20.9 million) respectively represented an increase of 6.9% and 6.0% respectively. The segment accounted for 42.9% of the Group's segment profit and 47.2% of the Group's profit before tax. The increase in revenue and profit before tax was mainly driven by the increase in 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 RM385.2 million (2021: RM238.0 million) which represented an increase of 61.9% and contributed 51.9% of the Group's net revenue. The higher revenue was mainly driven by the increase in market demand and the domestic steel prices. However, the segment recorded a lower segment profit and profit before tax of RM40.0 million (2021: RM41.8 million) and RM29.7 million (2021: RM31.8 million) respectively which accounted for 59.9% of the Group's segment profit and 63.3% of the Group's profit before tax. The decrease in profit before tax was mainly due to the higher production costs for certain manufactured steel products arising from the higher cost of raw materials.

Property development segment

The segment recorded a lower net revenue of RM3.2 million (2021: RM9.4 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 30 June 2022 for Amanja project was 87.5% (2021: 87.1%) and Tiara Residence project was 91.3% (2021: 84.8%).

The segment continued to register a loss before tax of RM0.6 million (2021: RM1.0 million) to maintain its unsold properties.

Hospitality segment

The Ibis Styles hotel located at Bandar Sri Damansara which was temporarily closed since May 2020 was reopened for business on 18 April 2022. Consequently, the segment recorded an increase in net revenue of RM3.2 million (2021: RM1.4 million) on the strength of all three operating hotels and achieving higher average occupancy rate of 32.0% (2021: 23.8%). The Government of Malaysia reopened its international border to foreign arrivals on 1 April 2022 as Malaysia is transitioning into endemicity and this augurs well with the hospitality industry.

However, the segment registered a higher loss before tax of RM3.5 million (2021: RM3.3 million), which included borrowing cost and depreciation totalling RM2.5 million (2021: RM2.7 million), mainly due to the cost incurred to reopen the Ibis Styles hotel after closing its door for almost two years.

B2. Comparison with preceding financial quarter's results

	3 months ended	
	30/6/22	31/3/22
	RM'000	RM'000
Revenue	370,701	370,857
Profit before tax	21,917	24,956

The decrease in revenue and profit before tax as compared to the preceding quarter ended 31 March 2022 was mainly attributable to the weak market demand for certain metal-related trading products in tandem with the declining domestic metal prices.

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B3. Prospects

The Malaysian economy registered a stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). Domestic demand continued to strengthen, underpinned by the steady recovery in economic activities amid the transition to endemicity and reopening of international borders, labour market improvements and ongoing policy support. The services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%). With the growth in the first half of 2022 at 6.9%, the Malaysian economy is projected to expand further for the remainder of the year, supported by firm domestic demand, labour market improvements border reopening and policy assistance. However, Malaysia's growth remains susceptible to a weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions. (Source: Bank Negara Malaysia Quarterly Bulletin Second 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 opportunity or sale of its existing landbank. As Malaysia is transitioning into endemicity, the hospitality segment shall 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 higher gross operating profits.

The performance of the Group during the year remains challenging as it is dependent on the growth in domestic demand and economic activities.

B4. Profit Forecast and/or Profit Guarantee

Not applicable as no profit forecast was published.

B5. Tax expense

	Individual quarter 3 months ended 30/6/22 RM'000	Cumulative quarter 6 months ended 30/6/22 RM'000
Income tax expense - current financial year	5,908	11,228
Real property gain tax	-	4
Deferred tax expense	(634)	692
	<u>5,274</u>	<u>11,924</u>
Reconciliation of tax expense		
Income tax using Malaysian tax rate of 24%	5,261	11,250
Non-deductible expenses	715	1,621
Income not subjected to tax	(6)	(12)
Real property gain tax	-	4
Utilisation of previously unrecognised deferred tax benefits	(696)	(939)
	<u>5,274</u>	<u>11,924</u>

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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 30 June 2022 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Denominated in Ringgit Malaysia</i>			
Hire purchase liabilities	573	-	573
Term loans	35,777	-	35,777
	<u>36,350</u>	<u>-</u>	<u>36,350</u>
Current			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	2,605	6,218	8,823
Hire purchase liabilities	1,014	-	1,014
Revolving credit	-	54,095	54,095
Bankers' acceptances	84,883	339,505	424,388
Term loans	16,651	-	16,651
	<u>105,153</u>	<u>399,818</u>	<u>504,971</u>

B8. Changes in Material Litigation

There was no impending material litigation as at 18 August 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 30 June 2022.

B10. Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share for the current financial quarter and the financial period ended 30 June 2022 are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue as follows:

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	Individual quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2022	2021	2022	2021
Profit attributable to owners of the Company (RM'000)	15,232	12,547	33,409	33,339
<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	(8,145)	(6,976)	(8,120)	(6,976)
Weighted average number of ordinary shares as at 30 June	435,174	436,343	435,199	436,343
Basic and diluted earnings per ordinary share (sen)	3.50	2.88	7.68	7.64

* 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 3 months ended 30/6/22 RM'000	Cumulative quarter 6 months ended 30/6/22 RM'000
Profit before tax is arrived at after charging/(crediting):		
Bad debt written off	118	118
Depreciation of:		
- investment properties	240	480
- property, plant and equipment	4,972	10,362
- right-of-use assets	220	417
Finance costs	4,781	9,385
Finance income	(565)	(758)
Gain on derecognition of right-of-use assets	(1)	(1)
Gain on disposal of:		
- assets classified as held for sale	(24)	(48)
- property, plant and equipment	(65)	(80)
Inventories written down	1,039	2,839
Net gain on impairment of financial instruments		
- trade receivables	(233)	(175)
Plant and equipment written off	1	1
Realised loss/(gain) on foreign exchange, net	100	(18)
Rental income:		
- land and buildings	(203)	(404)
- machinery	(1)	(1)
- vehicle	(24)	(48)
	=====	=====

B12. Capital commitment

	30 June 2022 RM'000
Property, plant and equipment	
Authorised but not contracted for	11,359
Contracted but not provided for	<u>10,431</u>
	<u><u>21,790</u></u>

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 30 June 2022 were as follows:

	RM'000
Sales	(2,837)
Purchases	8,949
Rental income	(84)
Expenses relating to short-term leases	818
Consultancy fee expenses	285
	=====

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

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:

	30 June 2022 RM'000	31 December 2021 RM'000
Corporate guarantees issued to :		
- financial institutions for bank facilities granted to its non-wholly owned subsidiaries	88,741	59,670
- suppliers for credit facilities granted to its non-wholly owned subsidiaries	736	185
	<u>89,477</u>	<u>59,855</u>

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