

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

**Quarterly Report on consolidated results
For the First Quarter ended 31 March 2023**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position
As at 31 March 2023**

| | | As at 31 March 2023 RM'000 | Audited As at 31 December 2022 RM'000 |
|---|----|---|--|
| <u>ASSETS</u> | | | |
| Property, plant and equipment | | 399,237 | 397,535 |
| Right-of-use assets | | 42,566 | 41,270 |
| Investment properties | | 39,467 | 39,699 |
| Deferred tax assets | | 4,719 | 4,337 |
| Total non-current assets | | 485,989 | 482,841 |
| Inventories | | 539,286 | 511,940 |
| Receivables, deposits and prepayments | | 421,237 | 403,578 |
| Current tax assets | | 3,272 | 2,896 |
| Cash and cash equivalents | | 116,664 | 130,355 |
| Assets classified as held for sale | | 681 | 681 |
| Total current assets | | 1,081,140 | 1,049,450 |
| TOTAL ASSETS | | 1,567,129 | 1,532,291 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Share capital | | 269,934 | 269,934 |
| Reserves | | 529,684 | 525,925 |
| Total equity attributable to Owners of the Company | | 799,618 | 795,859 |
| Non-controlling interests | | 20,666 | 20,466 |
| TOTAL EQUITY | | 820,284 | 816,325 |
| <u>LIABILITIES</u> | | | |
| Loans and borrowings | B7 | 33,852 | 31,846 |
| Lease liabilities | | 1,439 | 72 |
| Deferred tax liabilities | | 10,881 | 10,808 |
| Total non-current liabilities | | 46,172 | 42,726 |
| Payables and accruals | | 66,412 | 112,188 |
| Loans and borrowings | B7 | 628,666 | 555,839 |
| Lease liabilities | | 245 | 135 |
| Current tax liabilities | | 5,350 | 5,078 |
| Total current liabilities | | 700,673 | 673,240 |
| TOTAL LIABILITIES | | 746,845 | 715,966 |
| TOTAL EQUITY AND LIABILITIES | | 1,567,129 | 1,532,291 |
| Number of ordinary shares ('000) | | 443,319 | 443,319 |
| Net assets per share (RM) | | 1.85 | 1.84 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023**

| | Note | Individual quarter 3 months ended 31 March | | Cumulative quarter 3 months ended 31 March | |
|---|------|--|----------------|--|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Revenue | | 377,944 | 370,857 | 377,944 | 370,857 |
| Cost of sales | | (339,454) | (319,431) | (339,454) | (319,431) |
| Gross profit | | 38,490 | 51,426 | 38,490 | 51,426 |
| Administrative expenses | | (14,197) | (13,567) | (14,197) | (13,567) |
| Distribution costs | | (12,216) | (9,032) | (12,216) | (9,032) |
| Net losses on impairment of financial instruments | | (89) | (58) | (89) | (58) |
| Other operating expenses | | (61) | (2) | (61) | (2) |
| Other operating income | | 479 | 600 | 479 | 600 |
| Operating profit | | 12,406 | 29,367 | 12,406 | 29,367 |
| Finance costs | | (6,548) | (4,604) | (6,548) | (4,604) |
| Finance income | | 587 | 193 | 587 | 193 |
| Profit before tax | B11 | 6,445 | 24,956 | 6,445 | 24,956 |
| Tax expense | B5 | (2,546) | (6,650) | (2,546) | (6,650) |
| Profit and total comprehensive income for the financial period | | 3,899 | 18,306 | 3,899 | 18,306 |
| Profit and total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 3,759 | 18,177 | 3,759 | 18,177 |
| Non-controlling interests | | 140 | 129 | 140 | 129 |
| Profit and total comprehensive income for the financial period | | 3,899 | 18,306 | 3,899 | 18,306 |
| Basic and diluted earnings per ordinary shares (sen) | B10 | 0.87 | 4.18 | 0.87 | 4.18 |

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 2022 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 2023**

| | /-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable | | | | Total | Non- controlling interests | Total equity |
|---|--|------------------------------|-------------------------------|--------------------------------|----------------|----------------------------------|-----------------|
| | Share capital RM'000 | Treasury shares RM'000 | Warrants reserve RM'000 | Retained earnings RM'000 | | | |
| At 1 January 2023 | 269,934 | (8,178) | 2,924 | 531,179 | 795,859 | 20,466 | 816,325 |
| Profit and total comprehensive income for the financial period | - | - | - | 3,759 | 3,759 | 140 | 3,899 |
| Acquisition of a subsidiary | - | - | - | - | - | 60 | 60 |
| At 31 March 2023 | 269,934 | (8,178) | 2,924 | 534,938 | 799,618 | 20,666 | 820,284 |
| 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 |

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 2022 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 2023**

| | 3 months ended | |
|---|-----------------|-----------------|
| | 31 March | |
| | 2023 | 2022 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 6,445 | 24,956 |
| <i>Adjustments for:</i> | | |
| Bad debts recovered | (3) | - |
| Depreciation of: | | |
| - investment properties | 232 | 240 |
| - property, plant and equipment | 5,380 | 5,390 |
| - right-of-use assets | 250 | 197 |
| Finance costs | 6,548 | 4,604 |
| Finance income | (587) | (193) |
| Gain on derecognition of right-of-use assets | - | _* |
| Gain on disposal of: | | |
| - assets classified as held for sale | - | (24) |
| - property, plant and equipment | (98) | (15) |
| Inventories written down | 1,860 | 1,800 |
| Net losses on impairment of financial instruments | 89 | 58 |
| Plant and equipment written off | 9 | _* |
| | <hr/> | <hr/> |
| Operating profit before changes in working capital | 20,125 | 37,013 |
| Changes in: | | |
| Inventories | (28,975) | (35,811) |
| Receivables, deposits and prepayments | (17,745) | (38,513) |
| Payables and accruals | (45,781) | (29,327) |
| | <hr/> | <hr/> |
| Cash used in operations | (72,376) | (66,638) |
| Interest paid | (287) | (240) |
| Net tax paid | (2,965) | (4,806) |
| | <hr/> | <hr/> |
| Net cash used in operating activities | <u>(75,628)</u> | <u>(71,684)</u> |
| | | |
| Cash flows from investing activities | | |
| Acquisition of: | | |
| - a subsidiary, net of cash acquired | 71 | - |
| - property, plant and equipment | (5,856) | (8,675) |
| Interest received | 587 | 193 |
| Proceeds from disposal of: | | |
| - assets classified as held for sale | - | 260 |
| - property, plant and equipment | 98 | 15 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | <u>(5,100)</u> | <u>(8,207)</u> |

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**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2023**

| | 3 months ended 31 March | |
|---|------------------------------------|------------------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash flows from financing activities | | |
| Interest paid | (6,668) | (4,594) |
| Net proceeds from/(repayment of): | | |
| - bankers' acceptances | 63,902 | 110,039 |
| - revolving credit | 12,300 | (14,150) |
| Proceeds from term loan | 5,044 | 6,001 |
| Payment of lease liabilities | (69) | (39) |
| Repayment of: | | |
| - hire purchase liabilities | (653) | (173) |
| - term loans | (4,878) | (4,040) |
| | <u>68,978</u> | <u>93,044</u> |
| Net cash from financing activities | | |
| | 68,978 | 93,044 |
| Net (decrease)/increase in cash and cash equivalents | (11,750) | 13,153 |
| Cash and cash equivalents at the beginning of financial period | 112,546 | 110,542 |
| Cash and cash equivalents at the end of financial period | <u>100,796</u> | <u>123,695</u> |

* Denotes amount less than RM500.

Note:*Cash and cash equivalents comprise:*

| | As at 31 March | |
|---|---------------------------|------------------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash and bank balances | 42,782 | 51,733 |
| Deposits placed with licensed banks | 31,877 | 35,514 |
| Highly liquid investments with other institutions | 42,005 | 44,730 |
| | <u>116,664</u> | <u>131,977</u> |
| Less: | | |
| Deposit pledged | (600) | (600) |
| Bank overdrafts | (15,268) | (7,682) |
| | <u>100,796</u> | <u>123,695</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 2022 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 2023

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 2022. 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 2022 except for the following:

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

In the current financial period ended 31 March 2023, the Group adopted the following standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023 to its financial statement, except for MFRS 17 and Amendments to MFRS 17 which are not applicable to the Group:

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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.

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.

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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 2022.

A6. Debt and Equity Securities

On 25 May 2023, the shareholders of the Company granted their approval for the Company's plan to repurchase its ordinary shares at the Twenty-Second Annual General Meeting held on even-date.

As at 31 March 2023, the Company held a total of 10,600,800 of its own shares. 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. |

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The reportable segment information for the financial period ended 31 March 2023 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 | 185,699 | 187,683 | 2,273 | 2,289 | 377,944 |
| Inter segment revenue | 22,699 | 66,381 | 80 | 36 | 89,196 |
| Total reportable revenue | 208,398 | 254,064 | 2,353 | 2,325 | 467,140 |
| Reportable segment profit/(loss)* | 9,462 | 9,588 | 122 | (547) | 18,625 |
| Reportable segment assets | 507,874 | 814,832 | 146,661 | 75,670 | 1,545,037 |
| Reportable segment liabilities | (317,892) | (403,533) | (7,494) | (17,185) | (746,104) |

Reconciliation of reportable segment profit or loss for the financial period ended 31 March 2023

| | RM'000 |
|---|---------------|
| Total profit for reportable segments | 18,625 |
| Other non-reportable segment loss | (347) |
| Elimination of inter-segment transactions | (10) |
| Depreciation | (5,862) |
| Finance costs | (6,548) |
| Finance income | 587 |
| Consolidated profit before tax | 6,445 |

* Refer to profit before interest, tax and depreciation.

A9. Subsequent event

There were no other material subsequent events since the end of the date of the last annual reporting period until 18 May 2023, 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

On 2 February 2023, the Company acquired 51,000 ordinary shares representing 51% equity interest in Engtex Energy Sdn. Bhd. (formerly known as Leading Wonder Sdn. Bhd.) for a cash consideration of RM62,292 from non-related parties.

Other than the above, 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 2023 RM'000 | 31 December 2022 RM'000 |
|--|-------------------------------------|--|
| Corporate guarantees issued to: | | |
| - financial institutions for bank facilities granted to its subsidiaries | 660,116 | 585,579 |
| - suppliers for credit facilities granted to its subsidiaries | 3,056 | 8,466 |
| | <u>663,172</u> | <u>594,045</u> |

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

B1. Review of performance

| | 3 months ended 31 March | |
|--|------------------------------------|------------------------|
| | 2023 RM'000 | 2022 RM'000 |
| Revenue | 377,944 | 370,857 |
| Segment profit | 18,278 | 35,197 |
| Profit before tax | 6,445 | 24,956 |
| Profit after tax | 3,899 | 18,306 |
| Profit attributable to Owners of the Company | 3,759 | 18,177 |

The Group recorded an increase in net revenue for the current financial period ended 31 March 2023 as compared to the preceding year mainly attributable to the increase in market demand for certain manufactured steel products. However, the decrease in corresponding profit before tax was mainly due to the higher procurement cost for certain raw materials and production costs for certain manufactured steel products in light of volatility in the domestic metal prices.

On the financial position review for the three months ended 31 March 2023, the Group's equity attributable to owners of the Company marginally increased by 0.5% from RM795.9 million as of 31 December 2022 to RM799.6 million as of 31 March 2023 mainly due to the increase in retained earnings. Consequently, the net assets per share of the Group increased from RM1.84 as of 31 December 2022 to RM1.85 as of 31 March 2023. The increase in net gearing ratio from 0.56 times as of 31 December 2022 to 0.67 times as of 31 March 2023 was mainly due to the increase in bank borrowings to procure raw materials and trading inventories, besides financing the trade receivables and to support other working capital requirements.

Wholesale and distribution segment

The wholesale and distribution segment recorded a net revenue of RM185.7 million (2022: RM190.1 million) which represented a marginally drop of 2.3% and contributed 49.1% of the Group's net revenue. The segment profit and profit before tax of RM9.4 million (2022: RM16.4 million) and RM5.3 million (2022: RM12.9 million) respectively represented a drop of 42.2% and 58.8% respectively. The segment accounted for 51.8% of the Group's segment profit and 82.6% of the Group's profit before tax.

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The decrease in net revenue and profit before tax was mainly due to the softening market demand for certain of its metal-related trading products in light of the volatility in the domestic metal prices.

Manufacturing segment

The manufacturing segment recorded a net revenue of RM187.7 million (2022: RM177.7 million) which represented an increase of 5.6% and contributed 49.7% of the Group's net revenue. The higher revenue was mainly attributable to the increase in market demand for certain manufactured steel products. However, the segment recorded a lower segment profit and profit before tax of RM9.6 million (2022: RM19.7 million) and RM3.4 million (2022: RM14.4 million) respectively which accounted for 52.5% of the Group's segment profit and 52.8% of the Group's profit before tax. The decrease in segment profit and profit before tax was mainly due to the higher procurement cost for certain raw materials and production costs for certain manufactured steel products in light of the volatility in the domestic steel prices.

Property development segment

The segment recorded a higher net revenue of RM2.3 million (2022: RM1.7 million) and contributed 0.6% to the Group's net revenue. The revenue was mainly derived from the sale of property in Tiara Residence project located at Selayang and Amanja project located at Kepong. The total residential units sold as of 31 March 2023 for Amanja project was 90.2% (2022: 87.5%) and Tiara Residence project was 93.5% (2022: 89.1%).

The segment registered a loss before tax of RM0.2 million (2022: RM0.4 million) to maintain its available unsold properties.

Hospitality segment

The segment recorded an increase in net revenue of RM2.3 million (2022: RM1.4 million) as a result of 9,768 rooms sold from all three operating hotels as compared to 6,496 rooms sold from two operating hotels in 2022, after the reopening of Ibis Styles Hotel located at Bandar Sri Damansara in April 2022. However, the average occupancy rate dropped from 37.6% in 2022 to 32.3% in 2023 due to weak market demand which resulted in higher operating losses.

Therefore, the segment continued to register a higher loss before tax of RM1.7 million (2022: RM1.6 million) which included the borrowing cost and depreciation totalling RM1.2 million (2022: RM1.2 million).

B2. Comparison with preceding financial quarter's results

| | 3 months ended | |
|--------------------------|-----------------------|-----------------|
| | 31/3/23 | 31/12/22 |
| | RM'000 | RM'000 |
| Revenue | 377,944 | 351,125 |
| Profit/(Loss) before tax | 6,445 | (6,685) |

The increase in revenue and profit before tax as compared to preceding quarter ended 31 December 2022 was mainly due to the increase in market demand for certain metal-related trading products and manufactured steel products. The preceding quarter's loss before tax included net losses on impairment of trade receivables of RM6.1 million.

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B3. Prospects

The Malaysian economy further expanded in the first quarter of 2023 by 5.6% (4Q 2022: 7.1%), driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. On the supply side, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (4Q 2022: -1.7%). Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. Improving employment and income as well as continued implementation of multi-year projects would support consumption and investment activity. Moreover, higher inbound tourism activity would lift high-touch services industries. *(Source: Bank Negara Malaysia: Economic and Financial Developments in Malaysia in the First Quarter of 2023)*

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. With the continued recovery in tourism industry, 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 in the current year remains challenging as it is dependent on the 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 31/3/23 RM'000 | Cumulative quarter 3 months ended 31/3/23 RM'000 |
|---|---|---|
| Income tax expense | | |
| - current financial year | 2,475 | 2,475 |
| Deferred tax expense | | |
| - origination and reversal of temporary differences | 71 | 71 |
| | <u>2,546</u> | <u>2,546</u> |
| Reconciliation of tax expense | | |
| Income tax using Malaysian tax rate of 24% | 1,547 | 1,547 |
| Non-deductible expenses | 999 | 999 |
| | <u>2,546</u> | <u>2,546</u> |

B6. Status of Corporate Proposals Announced

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 2023 were as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|--|---------------------------|-----------------------------|-------------------------|
| Non-current | | | |
| <i>Denominated in Ringgit Malaysia</i> | | | |
| Hire purchase liabilities | 1,376 | - | 1,376 |
| Term loans | 32,476 | - | 32,476 |
| | <u>33,852</u> | <u>-</u> | <u>33,852</u> |
| Current | | | |
| <i>Denominated in Ringgit Malaysia</i> | | | |
| Bank overdrafts | 3,709 | 11,559 | 15,268 |
| Hire purchase liabilities | 2,520 | - | 2,520 |
| Revolving credit | - | 102,883 | 102,883 |
| Bankers' acceptances | 114,705 | 378,127 | 492,832 |
| Term loans | 15,163 | - | 15,163 |
| | <u>136,097</u> | <u>492,569</u> | <u>628,666</u> |

B8. Changes in Material Litigation

There was no impending material litigation as at 18 May 2023, being the date not earlier than 7 days from the date of this announcement.

B9. Dividend declared

The Directors does not recommend any interim dividend for the financial quarter ended 31 March 2023.

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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 2023 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 | |
| | 31 March | | 31 March | |
| | 2023 | 2022 | 2023 | 2022 |
| Profit attributable to owners of the Company (RM'000) | 3,759 | 18,177 | 3,759 | 18,177 |
| <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 | (10,601) | (8,095) | (10,601) | (8,095) |
| Weighted average number of ordinary shares as at 31 March | 432,718 | 435,224 | 432,718 | 435,224 |
| Basic and diluted earnings per ordinary share (sen)* | 0.87 | 4.18 | 0.87 | 4.18 |

* 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 |
| | 31/3/23 | 31/3/23 |
| | RM'000 | RM'000 |
| Profit before tax is arrived at after charging/(crediting): | | |
| Bad debt recovered | (3) | (3) |
| Depreciation of: | | |
| - investment properties | 232 | 232 |
| - property, plant and equipment | 5,380 | 5,380 |
| - right-of-use assets | 250 | 250 |
| Finance costs | 6,548 | 6,548 |
| Finance income | (587) | (587) |
| Gain on disposal of property, plant and equipment | (98) | (98) |
| Inventories written down | 1,860 | 1,860 |
| Net losses on impairment of financial instruments | | |
| - trade receivables | 89 | 89 |
| Plant and equipment written off | 9 | 9 |
| Realised gain on foreign exchange, net | (24) | (24) |
| Rental income: | | |
| - land and buildings | (267) | (267) |
| - vehicle | (24) | (24) |
| | ===== | ===== |

B12. Capital commitment

| | 31 March 2023 RM'000 |
|--------------------------------------|-------------------------------------|
| Property, plant and equipment | |
| Authorised but not contracted for | 5,341 |
| Contracted but not provided for | 9,823 |
| | <hr/> |
| | 15,164 |

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 31 March 2023 were as follows:

| | RM'000 |
|--|---------------|
| Sales | (692) |
| Purchases | 3,784 |
| Rental income | (42) |
| Expenses relating to short-term leases | 401 |
| Consultancy fee expenses | 170 |
| | ===== |

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:

| | 31 March 2023 RM'000 | 31 December 2022 RM'000 |
|---|-------------------------------------|--|
| Corporate guarantees issued to: | | |
| - financial institutions for bank facilities granted to its non-wholly owned subsidiaries | 94,838 | 88,066 |
| - suppliers for credit facilities granted to its non-wholly owned subsidiaries | 226 | 376 |
| | <hr/> | <hr/> |
| | 95,064 | 88,442 |

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