

**Engtex Group Berhad**

Registration No. 200101000937 (536693-X)

**Quarterly Report on consolidated results  
For the Second Quarter ended 30 June 2023**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position  
As at 30 June 2023**

	Note	As at 30 June 2023 RM'000	Audited As at 31 December 2022 RM'000
<b><u>ASSETS</u></b>			
Property, plant and equipment		404,706	397,535
Right-of-use assets		42,601	41,270
Investment properties		39,353	39,699
Deferred tax assets		5,663	4,337
<b>Total non-current assets</b>		<b>492,323</b>	<b>482,841</b>
Inventories		552,414	511,940
Receivables, deposits and prepayments		418,899	403,578
Current tax assets		4,164	2,896
Cash and cash equivalents		123,927	130,355
Assets classified as held for sale		-	681
<b>Total current assets</b>		<b>1,099,404</b>	<b>1,049,450</b>
<b>TOTAL ASSETS</b>		<b>1,591,727</b>	<b>1,532,291</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
Share capital		269,934	269,934
Reserves		531,339	525,925
<b>Total equity attributable to Owners of the Company</b>		<b>801,273</b>	<b>795,859</b>
<b>Non-controlling interests</b>		<b>20,655</b>	<b>20,466</b>
<b>TOTAL EQUITY</b>		<b>821,928</b>	<b>816,325</b>
<b><u>LIABILITIES</u></b>			
Loans and borrowings	B7	31,044	31,846
Lease liabilities		1,397	72
Deferred tax liabilities		10,973	10,808
<b>Total non-current liabilities</b>		<b>43,414</b>	<b>42,726</b>
Payables and accruals		82,265	112,188
Loans and borrowings	B7	638,220	555,839
Lease liabilities		223	135
Current tax liabilities		5,677	5,078
<b>Total current liabilities</b>		<b>726,385</b>	<b>673,240</b>
<b>TOTAL LIABILITIES</b>		<b>769,799</b>	<b>715,966</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,591,727</b>	<b>1,532,291</b>
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 30 June 2023**

	Note	Individual quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Revenue</b>		348,627	370,701	726,571	741,558
Cost of sales		(316,360)	(319,530)	(655,814)	(638,961)
<b>Gross profit</b>		32,267	51,171	70,757	102,597
Administrative expenses		(14,016)	(15,072)	(28,213)	(28,639)
Distribution costs		(10,675)	(11,527)	(22,891)	(20,559)
Net gain/(loss) on impairment of financial instruments		58	233	(31)	175
Other operating expenses		(54)	(135)	(115)	(137)
Other operating income		767	1,463	1,246	2,063
<b>Operating profit</b>		8,347	26,133	20,753	55,500
Finance costs		(7,461)	(4,781)	(14,009)	(9,385)
Finance income		1,809	565	2,396	758
<b>Profit before tax</b>	B11	2,695	21,917	9,140	46,873
Tax expense	B5	(1,051)	(5,274)	(3,597)	(11,924)
<b>Profit and total comprehensive income for the financial period</b>		1,644	16,643	5,543	34,949
<b>Profit/(Loss) and total comprehensive income attributable to:</b>					
Owners of the Company		1,655	15,232	5,414	33,409
Non-controlling interests		(11)	1,411	129	1,540
<b>Profit and total comprehensive income for the financial period</b>		1,644	16,643	5,543	34,949
Basic and diluted earnings per ordinary shares (sen)	B10	0.38	3.50	1.25	7.68

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.

**Engtex Group Berhad**

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Changes In Equity  
For the financial period ended 30 June 2023**

	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Retained earnings RM'000			
<b>At 1 January 2023</b>	269,934	(8,178)	2,924	531,179	795,859	20,466	816,325
Profit and total comprehensive income for the financial period	-	-	-	5,414	5,414	129	5,543
Acquisition of a subsidiary	-	-	-	-	-	60	60
<b>At 30 June 2023</b>	<b>269,934</b>	<b>(8,178)</b>	<b>2,924</b>	<b>536,593</b>	<b>801,273</b>	<b>20,655</b>	<b>821,928</b>
<b>At 1 January 2022</b>	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	-	(301)	-	-	(301)	-	(301)
Dividends to owners of the Company	-	-	-	(4,352)	(4,352)	-	(4,352)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(301)</b>	<b>-</b>	<b>(4,352)</b>	<b>(4,653)</b>	<b>-</b>	<b>(4,653)</b>
<b>At 30 June 2022</b>	<b>269,934</b>	<b>(6,902)</b>	<b>2,924</b>	<b>532,085</b>	<b>798,041</b>	<b>23,067</b>	<b>821,108</b>

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.

**Engtex Group Berhad**

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Cash Flows  
For the financial period ended 30 June 2023**

	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	9,140	46,873
<i>Adjustments for:</i>		
Bad debts recovered	(3)	-
Bad debt written off	-	118
Depreciation of:		
- investment properties	473	480
- property, plant and equipment	10,810	10,362
- right-of-use assets	473	417
Finance costs	14,009	9,385
Finance income	(2,396)	(758)
Gain on derecognition of right-of-use assets	-	(1)
Loss/(Gain) on disposal of:		
- assets classified as held for sale	31	(48)
- property, plant and equipment	(261)	(80)
Inventories written down	3,280	2,839
Net loss/(gain) on impairment of financial instruments	31	(175)
Plant and equipment written off	9	1
	<u>35,596</u>	<u>69,413</u>
<b>Operating profit before changes in working capital</b>	35,596	69,413
Changes in:		
Inventories	(43,252)	(3,440)
Receivables, deposits and prepayments	(15,349)	(38,692)
Payables and accruals	(29,928)	(42,393)
	<u>(52,933)</u>	<u>(15,112)</u>
<b>Cash used in operations</b>	(52,933)	(15,112)
Interest paid	(634)	(406)
Net tax paid	(5,433)	(7,783)
	<u>(59,000)</u>	<u>(23,301)</u>
<b>Net cash used in operating activities</b>	<u>(59,000)</u>	<u>(23,301)</u>
<b>Cash flows from investing activities</b>		
Acquisition of:		
- a right-of-use assets	(258)	-
- a subsidiary, net of cash acquired	71	-
- an investment property	(127)	-
- property, plant and equipment	(15,624)	(13,377)
Interest received	2,396	758
Proceeds from disposal of:		
- assets classified as held for sale	650	558
- property, plant and equipment	270	80
	<u>(12,622)</u>	<u>(11,981)</u>
<b>Net cash used in investing activities</b>	<u>(12,622)</u>	<u>(11,981)</u>

**Engtex Group Berhad**

Registration No. 200101000937 (536693-X)

**Condensed Consolidated Statement of Cash Flows  
For the financial period ended 30 June 2023**

	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Interest paid	(14,264)	(9,489)
Net proceeds from/(repayment of):		
- bankers' acceptances	74,360	68,002
- revolving credit	10,200	(21,206)
Proceeds from term loan	5,044	6,001
Payment of lease liabilities	(133)	(78)
Repayment of:		
- hire purchase liabilities	(1,386)	(490)
- term loans	(9,018)	(8,246)
Repurchase of treasury shares	-	(301)
<b>Net cash from financing activities</b>	<u>64,803</u>	<u>34,193</u>
<b>Net decrease in cash and cash equivalents</b>	(6,819)	(1,089)
Cash and cash equivalents at the beginning of financial period	<u>112,546</u>	<u>110,542</u>
<b>Cash and cash equivalents at the end of financial period</b>	<u><u>105,727</u></u>	<u><u>109,453</u></u>

**Note:***Cash and cash equivalents comprise:*

	<b>As at 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	30,247	61,060
Deposits placed with licensed banks	49,569	24,006
Highly liquid investments with other institutions	44,111	33,810
	<u>123,927</u>	<u>118,876</u>
Less:		
Deposit pledged	(600)	(600)
Bank overdrafts	(17,600)	(8,823)
	<u><u>105,727</u></u>	<u><u>109,453</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 2022 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 30 June 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 30 June 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.

## **Engtex Group Berhad**

Registration No. 200101000937 (536693-X)

### **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 30 June 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.

## Engtex Group Berhad

Registration No. 200101000937 (536693-X)

The reportable segment information for the financial period ended 30 June 2023 is as follows:

<i>Business segments</i>	<b>Wholesale &amp; distribution RM'000</b>	<b>Manufacturing RM'000</b>	<b>Property development RM'000</b>	<b>Hospitality RM'000</b>	<b>Total RM'000</b>
External revenue	352,197	364,177	5,390	4,807	726,571
Inter segment revenue	50,699	129,671	160	54	180,584
<b>Total reportable revenue</b>	<b>402,896</b>	<b>493,848</b>	<b>5,550</b>	<b>4,861</b>	<b>907,155</b>
<b>Reportable segment profit/(loss)*</b>	<b>16,512</b>	<b>17,479</b>	<b>(59)</b>	<b>(743)</b>	<b>33,189</b>
<b>Reportable segment assets</b>	<b>524,965</b>	<b>823,779</b>	<b>145,275</b>	<b>75,244</b>	<b>1,569,263</b>
<b>Reportable segment liabilities</b>	<b>(314,669)</b>	<b>(431,672)</b>	<b>(6,241)</b>	<b>(16,716)</b>	<b>(769,298)</b>

*Reconciliation of reportable segment profit or loss for the financial period ended 30 June 2023*

	<b>RM'000</b>
Total profit for reportable segments	33,189
Other non-reportable segment loss	(676)
Elimination of inter-segment transactions	(4)
Depreciation	(11,756)
Finance costs	(14,009)
Finance income	2,396
<b>Consolidated profit before tax</b>	<b>9,140</b>

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

### A9. Subsequent event

The approved share dividend distribution on the basis of 1 treasury share for every 50 existing ordinary shares held has been subsequently credited on 3 July 2023 to depositors whose names appear in the Record of Depositors on 15 June 2023.

Other than above, there were no other material subsequent events since the end of the date of the last annual reporting period until 17 August 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

There was no material 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:

	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	666,397	585,579
- suppliers for credit facilities granted to its subsidiaries	5,533	8,466
	<u>671,930</u>	<u>594,045</u>

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

#### B1. Review of performance

	<b>6 months ended 30 June</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>
Revenue	726,571	741,558
Segment profit	32,513	66,762
Profit before tax	9,140	46,873
Profit after tax	5,543	34,949
Profit attributable to Owners of the Company	5,414	33,409

The Group recorded a decrease in net revenue and profit before tax for the current financial period ended 30 June 2023 as compared to the preceding year mainly attributable to the decrease in market demand and higher procurement and production costs for most of the manufactured steel products, and increased market competition in light of the volatility in the domestic metal prices.

On the financial position review for the six months ended 30 June 2023, the Group's equity attributable to owners of the Company marginally increased by 0.7% from RM795.9 million as of 31 December 2022 to RM801.3 million as of 30 June 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 30 June 2023. The increase in net gearing ratio from 0.56 times as of 31 December 2022 to 0.66 times as of 30 June 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 RM352.2 million (2022: RM350.0 million) which represented a marginally increase of 0.6% and contributed 48.5% of the Group's net revenue. The segment profit and profit before tax of RM16.5 million (2022: RM28.6 million) and RM9.0 million (2022: RM22.1 million) respectively represented a decline of 42.3% and 59.4% respectively. The segment accounted for 50.8% of the Group's segment profit and 98.3% of the Group's profit before tax.

The decrease in profit before tax was mainly due to increased market competition in light of the volatility in the domestic metal prices.

***Manufacturing segment***

The manufacturing segment recorded a net revenue of RM364.2 million (2022: RM385.2 million) which represented a decrease of 5.5% and contributed 50.1% of the Group's net revenue. The decrease in revenue was mainly attributable to the softening market demand for certain manufactured steel products. Correspondingly, the segment recorded a lower segment profit and profit before tax of RM17.5 million (2022: RM40.0 million) and RM4.6 million (2022: RM29.7 million) respectively which accounted for 53.8% of the Group's segment profit and 50.7% of the Group's profit before tax. The decline in segment profit and profit before tax was further exacerbated by the increased market competition in light of the volatility in the domestic steel prices, and higher procurement and production costs for most of the manufactured steel products.

***Property development segment***

The segment recorded a higher net revenue of RM5.4 million (2022: RM3.2 million) and contributed 0.7% 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 30 June 2023 for Amanja project was 92.0% (2022: 87.5%) and Tiara Residence project was 93.5% (2022: 91.3%).

The segment registered a loss before tax of RM0.7 million (2022: RM0.6 million) to maintain its available unsold properties.

***Hospitality segment***

The segment recorded an increase in net revenue of RM4.8 million (2022: RM3.2 million) as a result of 20,590 (2022: 15,255) rooms sold from all three operating hotels, after the reopening of Ibis Styles Hotel located at Bandar Sri Damansara in April 2022. Correspondingly, the average occupancy rate increased from 32.0% in 2022 to 33.9% in 2023.

Therefore, the segment register a lower loss before tax of RM3.0 million (2022: RM3.5 million) which included the borrowing cost and depreciation totalling RM2.5 million (2022: RM2.5 million).

**B2. Comparison with preceding financial quarter's results**

	<b>3 months ended</b>	
	<b>30/6/23</b>	<b>31/3/23</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	348,627	377,944
Profit before tax	2,695	6,445

The decrease in revenue and profit before tax as compared to the preceding quarter ended 31 March 2022 was mainly due to the increased market competition in light of the volatility in domestic metal prices, and higher procurement and production costs for most of the metal-related trading products and manufactured steel products during the current weak market condition.

**B3. Prospects**

The Malaysian economy expanded moderately in the second quarter of 2023 by 2.9% (1Q 2023: 5.6%) mainly due to slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending was supported by further growth in employment and wages. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. Continued recovery in inbound tourism partially offset the slower goods export growth. Growth

## Engtex Group Berhad

Registration No. 200101000937 (536693-X)

during the quarter was also affected by the high base effect in the second quarter of 2022 when the economy experienced strong growth from reopening effects and policy measures. On the supply side, the services and construction sectors continued to support growth. Meanwhile, production in the agriculture and mining sectors were affected by hot weather and plant maintenance. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.5% (1Q 2023: 0.9%). With the challenging global environment, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023. Notwithstanding the weaker-than-expected global growth, the local economic growth will continue to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. (Source: Bank Negara Malaysia: Economic and Financial Developments in Malaysia in the Second 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. 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

	<b>Individual quarter 3 months ended 30/6/23 RM'000</b>	<b>Cumulative quarter 6 months ended 30/6/23 RM'000</b>
Income tax expense		
- current financial year	2,283	4,758
Deferred tax expense		
- origination and reversal of temporary differences	(1,232)	(1,161)
	<u>1,051</u>	<u>3,597</u>
<b>Reconciliation of tax expense</b>		
Income tax using Malaysian tax rate of 24%	647	2,194
Non-deductible expenses	662	1,661
Income not subjected to tax	(258)	(258)
	<u>1,051</u>	<u>3,597</u>

### 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 30 June 2023 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Non-current</b>			
<i>Denominated in Ringgit Malaysia</i>			
Hire purchase liabilities	1,011	-	1,011
Term loans	30,033	-	30,033
	<u>31,044</u>	<u>-</u>	<u>31,044</u>
<b>Current</b>			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	4,230	13,370	17,600
Hire purchase liabilities	3,081	-	3,081
Revolving credit	-	100,783	100,783
Bankers' acceptances	150,211	353,079	503,290
Term loans	13,466	-	13,466
	<u>170,988</u>	<u>467,232</u>	<u>638,220</u>

**B8. Changes in Material Litigation**

There was no impending material litigation as at 17 August 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 30 June 2023.

**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 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 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2023	2022	2023	2022
Profit attributable to owners of the Company (RM'000)	1,655	15,232	5,414	33,409
<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)	(8,145)	(10,601)	(8,120)
Weighted average number of ordinary shares as at 30 June	<u>432,718</u>	<u>435,174</u>	<u>432,718</u>	<u>435,199</u>
Basic and diluted earnings per ordinary share (sen)*	<u>0.38</u>	<u>3.50</u>	<u>1.25</u>	<u>7.68</u>

\* 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.

**Engtex Group Berhad**

Registration No. 200101000937 (536693-X)

**B11. Profit before tax**

	<b>Individual quarter 3 months ended 30/6/23 RM'000</b>	<b>Cumulative quarter 6 months ended 30/6/23 RM'000</b>
<b>Profit before tax is arrived at after charging/(crediting):</b>		
Bad debt recovered	-	(3)
Depreciation of:		
- investment properties	241	473
- property, plant and equipment	5,430	10,810
- right-of-use assets	223	473
Finance costs	7,461	14,009
Finance income	(1,809)	(2,396)
Loss/(Gain) on disposal of:		
- assets classified as held for sale	31	31
- property, plant and equipment	(163)	(261)
Inventories written down	1,420	3,280
Net (gain)/loss on impairment of financial instruments		
- trade receivables	(58)	31
Plant and equipment written off	-	9
Realised gain on foreign exchange, net	(109)	(133)
Rental income:		
- land and buildings	(272)	(539)
- vehicle	(55)	(79)
	=====	=====

**B12. Capital commitment**

	<b>30 June 2023 RM'000</b>
<b>Property, plant and equipment</b>	
Authorised but not contracted for	4,207
Contracted but not provided for	6,858
	<u>11,065</u>

**B13. Related party transactions**

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 30 June 2023 were as follows:

	<b>RM'000</b>
Sales	(1,222)
Purchases	8,033
Rental income	(84)
Expenses relating to short-term leases	802
Consultancy fee expenses	288
	=====

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:

	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its non-wholly owned subsidiaries	86,229	88,066
- suppliers for credit facilities granted to its non-wholly owned subsidiaries	1,089	376
	<u>87,318</u>	<u>88,442</u>

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