

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

**Quarterly Report on consolidated results
For the First Quarter ended 31 March 2024**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position
As at 31 March 2024**

	Note	As at 31 March 2024 RM'000	Audited As at 31 December 2023 RM'000
<u>ASSETS</u>			
Property, plant and equipment		424,458	420,522
Right-of-use assets		43,142	43,305
Investment properties		38,641	38,878
Investment in an associate		47	48
Deferred tax assets		8,947	8,508
Total non-current assets		515,235	511,261
Inventories		526,405	542,436
Receivables, deposits and prepayments		433,048	452,272
Current tax assets		2,757	3,102
Cash and cash equivalents		119,720	91,824
Total current assets		1,081,930	1,089,634
TOTAL ASSETS		1,597,165	1,600,895
<u>EQUITY AND LIABILITIES</u>			
Share capital		269,934	269,934
Reserves		545,453	536,054
Total equity attributable to Owners of the Company		815,387	805,988
Non-controlling interests		21,153	20,496
TOTAL EQUITY		836,540	826,484
<u>LIABILITIES</u>			
Loans and borrowings	B7	29,531	28,732
Lease liabilities		2,441	2,496
Deferred tax liabilities		11,610	11,487
Total non-current liabilities		43,582	42,715
Payables and accruals		101,279	110,942
Loans and borrowings	B7	609,496	616,637
Lease liabilities		214	211
Current tax liabilities		6,054	3,906
Total current liabilities		717,043	731,696
TOTAL LIABILITIES		760,625	774,411
TOTAL EQUITY AND LIABILITIES		1,597,165	1,600,895
Number of ordinary shares ('000)		443,319	443,319
Net assets per share (RM)		1.89	1.86

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period ended 31 March 2024**

	Note	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue		383,544	377,944	383,544	377,944
Cost of sales		(336,951)	(339,454)	(336,951)	(339,454)
Gross profit		46,593	38,490	46,593	38,490
Administrative expenses		(14,936)	(14,197)	(14,936)	(14,197)
Distribution costs		(11,881)	(12,216)	(11,881)	(12,216)
Net loss on impairment of financial instruments		(1,064)	(89)	(1,064)	(89)
Other operating expenses		(5)	(61)	(5)	(61)
Other operating income		570	479	570	479
Operating profit		19,277	12,406	19,277	12,406
Finance costs		(7,441)	(6,548)	(7,441)	(6,548)
Finance income		2,298	587	2,298	587
Share of loss of an equity-accounted associate, net of tax		(1)	-	(1)	-
Profit before tax	B11	14,133	6,445	14,133	6,445
Tax expense	B5	(4,077)	(2,546)	(4,077)	(2,546)
Profit and total comprehensive income for the financial period		10,056	3,899	10,056	3,899
Profit and total comprehensive income attributable to:					
Owners of the Company		9,399	3,759	9,399	3,759
Non-controlling interests		657	140	657	140
Profit and total comprehensive income for the financial period		10,056	3,899	10,056	3,899
Basic earnings per ordinary shares (sen)	B10	2.13	0.87	2.13	0.87
Diluted earnings per ordinary shares (sen)	B10	1.84	0.87	1.84	0.87

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 2023 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 2024**

	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable				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			Total RM'000
At 1 January 2024	269,934	(1,502)	2,924	534,632	805,988	20,496	826,484
Profit and total comprehensive income for the financial period	-	-	-	9,399	9,399	657	10,056
At 31 March 2024	269,934	(1,502)	2,924	544,031	815,387	21,153	836,540
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

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 2023 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 2024**

	3 months ended	
	31 March	
	2024	2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	14,133	6,445
<i>Adjustments for:</i>		
Depreciation of:		
- investment properties	237	232
- property, plant and equipment	5,473	5,380
- right-of-use assets	163	250
Finance costs	7,441	6,548
Finance income	(2,298)	(587)
Gain on disposal of property, plant and equipment	(83)	(98)
Inventories written down	2,394	1,860
Net loss on impairment of financial instruments	1,064	89
Plant and equipment written off	-*	9
Share of loss of an equity-accounted associate, net of tax	1	-
	<u>28,525</u>	<u>20,128</u>
Operating profit before changes in working capital	28,525	20,128
Changes in:		
Inventories	13,924	(28,975)
Receivables, deposits and prepayments	18,160	(17,748)
Payables and accruals	(9,663)	(45,781)
	<u>50,946</u>	<u>(72,376)</u>
Cash generated from/(used in) operations	50,946	(72,376)
Interest paid	(430)	(287)
Tax paid	(1,900)	(2,965)
	<u>48,616</u>	<u>(75,628)</u>
Net cash from/(used in) operating activities	48,616	(75,628)
Cash flows from investing activities		
Acquisition of:		
- a subsidiary, net of cash acquired	-	71
- property, plant and equipment	(8,648)	(5,856)
Interest received	2,298	587
Proceeds from disposal of property, plant and equipment	83	98
	<u>(6,267)</u>	<u>(5,100)</u>
Net cash used in investing activities	(6,267)	(5,100)

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**Condensed Consolidated Statement of Cash Flows
For the financial period ended 31 March 2024**

	3 months ended 31 March	
	2024 RM'000	2023 RM'000
Cash flows from financing activities		
Interest paid	(7,680)	(6,668)
Net proceeds from/(repayment of):		
- bankers' acceptances	5,825	63,902
- revolving credit	(6,710)	12,300
Proceeds from:		
- hire purchase liabilities	3,708	-
- term loans	-	5,044
Payment of lease liabilities	(52)	(69)
Repayment of:		
- hire purchase liabilities	(966)	(653)
- term loans	(3,140)	(4,878)
Net cash (used in)/from financing activities	<u>(9,015)</u>	<u>68,978</u>
Net increase/(decrease) in cash and cash equivalents	33,334	(11,750)
Cash and cash equivalents at the beginning of financial period	<u>66,368</u>	<u>112,546</u>
Cash and cash equivalents at the end of financial period	<u><u>99,702</u></u>	<u><u>100,796</u></u>

* Denotes amount less than RM500.

Note:*Cash and cash equivalents comprise:*

	As at 31 March	
	2024 RM'000	2023 RM'000
Cash and bank balances	85,066	42,782
Deposits placed with licensed banks	34,649	31,877
Highly liquid investments with other institutions	5	42,005
	<u>119,720</u>	<u>116,664</u>
Less:		
Deposit pledged	(600)	(600)
Bank overdrafts	(19,418)	(15,268)
	<u><u>99,702</u></u>	<u><u>100,796</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 2023 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 2024

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 Securities”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023. 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 2023 except for the following:

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

In the current financial period ended 31 March 2024, the Group adopted the following standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2024 to its financial statement:

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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 quarter.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

The business of the Group was not affected by any significant unusual items affecting assets, liabilities, equity, net income or cash flows in the current financial quarter.

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 2023.

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A6. Debt and Equity Securities

On 23 May 2024, the shareholders of the Company granted their approval for the Company's plan to repurchase its ordinary shares at the Twenty-Third Annual General Meeting held on even-date.

As of 31 March 2024, the Company held a total of 1,946,458 of its own shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

There was 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.

The reportable segment information for the financial period ended 31 March 2024 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	164,373	213,858	2,316	2,997	383,544
Inter segment revenue	12,383	46,526	104	79	59,092
Total reportable revenue	176,756	260,384	2,420	3,076	442,636
Reportable segment profit/(loss)*	7,205	18,057	(3)	(51)	25,208
Reportable segment assets	519,973	836,172	139,716	73,162	1,569,023
Reportable segment liabilities	(320,226)	(420,069)	(3,073)	(14,163)	(757,531)

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Reconciliation of reportable segment profit or loss for the financial period ended 31 March 2024

	RM'000
Total profit for reportable segments*	25,208
Other non-reportable segment loss	(63)
Elimination of inter-segment transactions	5
Depreciation	(5,873)
Finance costs	(7,441)
Finance income	2,298
Share of loss of an equity-accounted associate, net of tax	(1)
Consolidated profit before tax	14,133

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

A9. Subsequent event

There were no material subsequent events since the end of the date of the last annual reporting period until 16 May 2024, 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 is no material change in the composition of the Group for the current financial quarter under review.

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 2024 RM'000	31 December 2023 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	637,342	643,739
- suppliers for credit facilities granted to its subsidiaries	3,181	3,830
	640,523	647,569

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

B1. Review of performance

	3 months ended 31 March	
	2024 RM'000	2023 RM'000
Revenue	383,544	377,944
Segmental profit	25,145	18,278
Profit before tax	14,133	6,445
Profit after tax	10,056	3,899
Profit attributable to Owners of the Company	9,399	3,759

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The Group recorded an increase in net revenue and profit before tax for the current financial period ended 31 March 2024 as compared to the preceding year mainly attributable to the recovery in market demand for certain manufactured steel products, especially the increase in production output and delivery of mild steel concrete-line pipes and wire mesh, albeit the volatility in the international and domestic metal prices.

On the financial review for the three months ended 31 March 2024, the Group's equity attributable to owners of the Company increased marginally by 1.2% from RM806.0 million as of 31 December 2023 to RM815.4 million as of 31 March 2024 resulted from the increase in retained earnings. Consequently, the net assets per share of the Group increased from RM1.86 as of 31 December 2023 to RM1.89 as of 31 March 2024. The improvement in net gearing ratio from 0.67 times as of 31 December 2023 to 0.62 times as of 31 March 2024 was mainly due to the decrease in bank borrowings to procure raw materials and stocking up of trading inventories, finance the trade receivables and support other working capital requirements.

Wholesale and distribution segment

The wholesale and distribution segment recorded a net revenue of RM164.3 million (2023: RM185.7 million) which represented a decrease of 11.5% and the segment contributed 42.9% of the Group's total net revenue. This segment recorded a lower segmental profit and profit before tax of RM7.2 million (2023: RM9.4 million) and RM4.1 million (2023: RM5.3 million) which represented a decline of 23.9% and 22.8% respectively from the preceding year. This segment accounted for 28.7% of the Group's segmental profit and 29.1% of the Group's profit before tax.

The decrease in the segmental profit and profit before tax was mainly due to the lower selling prices arising from the increased market competition in light of the volatility prevailing presently and slowdown in the domestic market demand.

Manufacturing segment

The manufacturing segment recorded a net revenue of RM213.9 million (2023: RM187.7 million) which represented an increase of 13.9% and the segment contributed 55.8% of the Group's total net revenue. Correspondingly, this segment recorded an improved segmental profit and profit before tax of RM18.1 million (2022: RM9.6 million) and RM11.4 million (2023: RM3.4 million) which represented an increase of 88.3% and 235.7% respectively from the preceding year. This segment accounted for 71.8% of the Group's segmental profit and 80.8% of the Group's profit before tax.

The increase in net revenue, segmental profit and profit before tax was mainly due to the increase in production output and delivery of mild steel concrete-line pipes and wire mesh albeit the volatility in the international and domestic steel prices.

Property development segment

This segment recorded a net revenue of RM2.3 million (2023: RM2.3 million) and contributed 0.6% to the Group's net revenue. The revenue was mainly derived from the sale of property in Amanja project located at Kepong. The total percentages of residential units sold as of 31 March 2024 for Tiara Residence project was 95.7% (2023: 93.5%) and Amanja project was 94.2% (2023: 90.2%).

There are still 2 unsold units at Tiara Residence project, 13 unsold residential units at Amanja project and 26 unsold commercial and residential units at Emerald Avenue project remaining for sale. This segment incurred a loss before tax of RM0.3 million (2023: RM0.2 million) to maintain these unsold properties.

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Hospitality segment

This segment recorded an increase in net revenue of RM3.0 million (2023: RM2.3 million) due to higher number of rooms sold of 12,730 (2023: 9,768) at all three operating hotels and the increase in average occupancy rate from 32.3% in 2023 to 41.7% in 2024.

As a result, this segment registered a lower loss before tax of RM1.0 million (2023: RM1.7 million) which included largely the borrowing cost and depreciation of RM1.1 million (2022: RM1.2 million).

B2. Comparison with preceding financial quarter's results

	3 months ended	
	31/3/24	31/12/23
	RM'000	RM'000
Revenue	383,544	370,139
Profit before tax	14,133	4,077

The increase in revenue and profit before tax as compared to the preceding quarter ended 31 December 2023 was mainly due to the recovery in market demand for certain manufactured steel products, especially the increase in production output and delivery of mild steel concrete-line pipes and wire mesh, albeit the volatility in international and domestic metal prices.

B3. Prospects

The Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic ("E&E") and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%). Growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand. On the domestic front, continued employment and wage growth will support household spending. Improvement in tourist arrivals and spending are expected to continue. Investment activities will be driven by progress in multi-year projects across private and public sectors, alongside catalytic initiatives announced in national master plans as well as the higher realisation of approved investments. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand, further escalation in geopolitical conflicts and larger declines in commodity production domestically. Nonetheless, there are upside risks from greater spillover from the tech upcycle, more robust tourism activities and faster implementation of existing and new investment projects. *(Source: Bank Negara Malaysia: Economic and Financial Developments in Malaysia in the First Quarter of 2024)*

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

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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, or sale of hotel property if opportunity arises.

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 31/3/24 RM'000	Cumulative quarter 3 months ended 31/3/24 RM'000
Income tax expense		
- current financial year	4,154	4,154
Deferred tax expense		
- origination and reversal of temporary differences	(77)	(77)
	<u>4,077</u>	<u>4,077</u>
Reconciliation of tax expense		
Income tax using Malaysian tax rate of 24%	3,392	3,392
Non-deductible expenses	685	685
	<u>4,077</u>	<u>4,077</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 2024 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Denominated in Ringgit Malaysia</i>			
Hire purchase liabilities	2,974	-	2,974
Term loans	26,557	-	26,557
	<u>29,531</u>	<u>-</u>	<u>29,531</u>
Current			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	5,731	13,687	19,418
Hire purchase liabilities	3,102	-	3,102
Revolving credit	-	136,104	136,104
Bankers' acceptances	123,824	319,042	442,866
Term loans	8,006	-	8,006
	<u>140,663</u>	<u>468,833</u>	<u>609,496</u>

B8. Changes in Material Litigation

There was no impending material litigation as at 16 May 2024, 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 2024.

B10. Basic and diluted earnings per ordinary share

Basic earnings per share

The calculation of basic earnings per ordinary share for the current financial quarter ended 31 March 2024 are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue as follows:

	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2024 '000	2023 '000	2024 '000	2023 '000
Profit attributable to owners of the Company (RM)	9,399	3,759	9,399	3,759
<i>Weighted average number of ordinary shares</i>				
Issued ordinary shares as at 1 January	443,319	443,319	443,319	443,319
Effects of treasury shares held	(1,946)	(10,601)	(1,946)	(10,601)
Weighted average number of ordinary shares as at 31 March	441,373	432,718	441,373	432,718
Basic earnings per ordinary share (sen)	2.13	0.87	2.13	0.87

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the current financial quarter ended 31 March 2024 are based on the adjusted profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2024 '000	2023 '000	2024 '000	2023 '000
Profit attributable to owners of the Company (RM)	9,399	3,759	9,399	3,759
Effects of exercise of warrants (RM)	756	-	756	-
Adjusted profit attributable to owners of the Company (RM)	10,155	3,759	10,155	3,759

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	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2024	2023	2024	2023
	'000	'000	'000	'000
Weighted average number of ordinary shares (basic) as at 31 March	441,373	432,718	441,373	432,718
Effects of exercise of warrants	109,086	-	109,086	-
Weighted average number of ordinary shares (diluted) as at 31 March	550,459	432,718	550,459	432,718
Diluted earnings per ordinary share (sen)*	1.84	0.87	1.84	0.87

* The diluted earnings per ordinary share in 2023 was 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
	31/3/24	31/3/24
	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):		
Depreciation of:		
- investment properties	237	237
- property, plant and equipment	5,473	5,473
- right-of-use assets	163	163
Finance costs	7,441	7,441
Finance income	(2,298)	(2,298)
Gain on disposal of property, plant and equipment	(83)	(83)
Inventories written down	2,394	2,394
Net loss on impairment of financial instruments		
- trade receivables	1,064	1,064
Plant and equipment written off	_*	_*
Realised gain on foreign exchange, net	(24)	(24)
Rental income:		
- land and buildings	(275)	(275)
- vehicle	(69)	(69)
Share of loss of an equity-accounted associate, net of tax	1	1
	=====	=====

* Denotes amount less than RM500.

B12. Capital commitment

	31 March 2024 RM'000
Property, plant and equipment	
Authorised but not contracted for	467
Contracted but not provided for	11,699
	<u>12,166</u>

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 31 March 2024 were as follows:

	RM'000
Sales	(728)
Purchases	8,010
Rental income	(87)
Expenses relating to short-term leases	389
Consultancy fee expenses	177
	=====

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 2024 RM'000	31 December 2023 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its non-wholly owned subsidiaries	85,181	81,601
- suppliers for credit facilities granted to its non-wholly owned subsidiaries	365	357
	<u>85,546</u>	<u>81,958</u>

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