

Engtex Group Berhad

Registration No. 200101000937 (536693-X)

**Quarterly Report on consolidated results
For the Third Quarter ended 30 September 2024**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position
As at 30 September 2024**

	Note	As at 30 September 2024 RM'000	Audited As at 31 December 2023 RM'000
<u>ASSETS</u>			
Property, plant and equipment		415,258	420,522
Right-of-use assets		50,003	43,305
Investment properties		38,247	38,878
Investment in an associate		54	48
Deferred tax assets		11,099	8,508
Total non-current assets		514,661	511,261
Inventories		471,433	542,436
Receivables, deposits and prepayments		412,755	452,272
Current tax assets		4,192	3,102
Cash and cash equivalents		131,705	91,824
Total current assets		1,020,085	1,089,634
TOTAL ASSETS		1,534,746	1,600,895
<u>EQUITY AND LIABILITIES</u>			
Share capital		275,538	269,934
Reserves		547,575	536,054
Total equity attributable to Owners of the Company		823,113	805,988
Non-controlling interests		20,852	20,496
TOTAL EQUITY		843,965	826,484
<u>LIABILITIES</u>			
Loans and borrowings	B7	53,930	28,732
Lease liabilities		2,503	2,496
Deferred tax liabilities		12,407	11,487
Total non-current liabilities		68,840	42,715
Payables and accruals		99,608	110,942
Loans and borrowings	B7	517,595	616,637
Lease liabilities		259	211
Current tax liabilities		4,479	3,906
Total current liabilities		621,941	731,696
TOTAL LIABILITIES		690,781	774,411
TOTAL EQUITY AND LIABILITIES		1,534,746	1,600,895
Number of ordinary shares ('000)		789,302	775,809 ^(a)
Net assets per share (RM)		1.07	1.07 ^(a)

^(a) The comparative has been restated to incorporate retrospective adjustment in respect of bonus issue completed on 12 August 2024.

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 30 September 2024**

	Note	Individual quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue		364,625	373,057	1,077,367	1,099,628
Cost of sales		(335,573)	(338,308)	(969,843)	(994,122)
Gross profit		29,052	34,749	107,524	105,506
Administrative expenses		(14,879)	(14,485)	(43,565)	(42,698)
Distribution costs		(11,841)	(10,666)	(33,482)	(33,557)
Net (loss)/gain on impairment of financial instruments		(565)	692	(1,503)	661
Other operating expenses		(157)	(27)	(177)	(142)
Other operating income		5,876	795	7,006	2,041
Operating profit		7,486	11,058	35,803	31,811
Finance costs		(6,175)	(7,060)	(20,259)	(21,069)
Finance income		840	910	4,165	3,306
Share of profit of an equity-accounted associate, net of tax		3	-	6	-
Profit before tax	B11	2,154	4,908	19,715	14,048
Tax expense	B5	(468)	(1,523)	(6,532)	(5,120)
Profit and total comprehensive income for the financial period		1,686	3,385	13,183	8,928
Profit/(Loss) and total comprehensive income/(loss) attributable to:					
Owners of the Company		1,824	3,185	12,827	8,599
Non-controlling interests		(138)	200	356	329
Profit and total comprehensive income for the financial period		1,686	3,385	13,183	8,928
Basic earnings per ordinary shares (sen)	B10	0.23	0.41	1.65	1.13
Diluted earnings per ordinary shares (sen)	B10	0.27	0.41	1.57	1.13

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 30 September 2024

Note	/-----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				
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	-	-	-	12,827	12,827	356	13,183	
Own shares sold	A6 (i)	-	1,502	-	724	2,226	-	2,226
Issuance of shares pursuant to exercise of warrants	A6 (ii)	5,604	-	(207)	-	5,397	-	5,397
Dividends to owners of the Company	A9	-	-	-	(3,325)	(3,325)	-	(3,325)
Total transactions with owners of the Company		5,604	1,502	(207)	(2,601)	4,298	-	4,298
At 30 September 2024		275,538	-*	2,717	544,858	823,113	20,852	843,965
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		-	-	-	8,599	8,599	329	8,928
Acquisition of a subsidiary		-	-	-	-	-	60	60
Dividends to owners of the Company		-	6,676	-	(6,676)	-	-	-
Total transactions with owners of the Company		-	6,676	-	(6,676)	-	-	-
At 30 September 2023		269,934	(1,502)	2,924	533,102	804,458	20,855	825,313

* Denotes amount less than RM500.

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 30 September 2024**

	Note	9 months ended 30 September	
		2024 RM'000	2023 RM'000
Cash flows from operating activities			
Profit before tax		19,715	14,048
<i>Adjustments for:</i>			
Bad debts recovered		-	(3)
Bad debts written off		8	-
Depreciation of:			
- investment properties		711	709
- property, plant and equipment		16,269	16,057
- right-of-use assets		635	736
Finance costs		20,259	21,069
Finance income		(4,165)	(3,306)
(Gain)/Loss on disposal of:			
- assets classified as held for sale		-	31
- property, plant and equipment		(5,615)	(489)
Gain on derecognition of right-of-use assets		(2)	-
Inventories written down		3,394	4,750
Net loss/(gain) on impairment of financial instruments		1,503	(661)
Plant and equipment written off		-*	10
Share of profit of an equity-accounted associate, net of tax		(6)	-
		<u>52,706</u>	<u>52,951</u>
Operating profit before changes in working capital			
Changes in:			
Inventories		68,438	(16,530)
Receivables, deposits and prepayments		38,006	4,286
Payables and accruals		(11,334)	(17,263)
		<u>147,816</u>	<u>23,444</u>
Cash generated from operations			
Interest paid		(1,305)	(1,090)
Tax paid		(9,282)	(10,484)
		<u>137,229</u>	<u>11,870</u>
Net cash from operating activities			
Cash flows from investing activities			
Acquisition of:			
- right-of-use assets		-	(258)
- a subsidiary, net of cash acquired		(6,560)	71
- investment properties		(80)	(127)
- investment in an associate		-	-*
- property, plant and equipment		(25,281)	(29,841)
Interest received		4,165	3,306
Proceeds from disposal of:			
- assets classified as held for sale		-	650
- property, plant and equipment		21,859	521
		<u>(5,897)</u>	<u>(25,678)</u>
Net cash used in investing activities			

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**Condensed Consolidated Statement of Cash Flows
For the financial period ended 30 September 2024**

	Note	9 months ended 30 September	
		2024 RM'000	2023 RM'000
Cash flows from financing activities			
Dividends paid to owners of the Company	A7	(3,325)	-
Interest paid		(20,901)	(21,365)
Net (repayment of)/proceeds from:			
- bankers' acceptances		(82,420)	(19,432)
- revolving credit		(14,422)	30,610
Proceeds from:			
- issuance of shares pursuant to warrants		5,397	-
- hire purchase liabilities		3,708	-
- term loans		30,000	7,054
- treasury shares disposed		2,226	-
Payment of lease liabilities		(154)	(197)
Repayment of:			
- hire purchase liabilities		(2,991)	(2,178)
- term loans		(7,665)	(13,099)
Net cash used in financing activities		<u>(90,547)</u>	<u>(18,607)</u>
Net increase/(decrease) in cash and cash equivalents		40,785	(32,415)
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>107,153</u></u>	<u><u>80,131</u></u>

* Denotes amount less than RM500.

Note:*Cash and cash equivalents comprise:*

	As at 30 September	
	2024 RM'000	2023 RM'000
Cash and bank balances	90,452	69,539
Deposits placed with licensed banks	41,248	34,001
Highly liquid investments with other institutions	5	94
	<u>131,705</u>	<u>103,634</u>
Less:		
Deposit pledged	(600)	(600)
Bank overdrafts	(23,952)	(22,903)
	<u><u>107,153</u></u>	<u><u>80,131</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 30 September 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 30 September 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

In April 2024, a wholly-owned subsidiary entered into an agreement with a third party to dispose of the 72-room hotel located at Kuala Lumpur for a cash consideration of RM22.0 million. The disposal was completed during the current quarter. Subsequent to the disposal, the subsidiary is allowed to operate the hotel until the handover of vacant possession of the property on an “as is where is” basis within one year from the full settlement of purchase price.

Other than the above, 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 2023.

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.

There was no other issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial quarter and financial period to date, except as follows:

(i) Resale of treasury shares

During the financial period to date, the Company disposed 1,946,400 of its treasury shares for a total consideration of RM2,225,589 in the open market at an average price of RM1.14 per share. The proceeds from the resale were utilised for working capital purposes.

As of 30 September 2024, the Company held a total of 101 of its own shares. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

(ii) Issuance of new shares and warrants

During the current financial quarter, the Company issued:

- a) 333,816,580 new shares (inclusive of 43 bonus shares to be held as treasury shares) through bonus issue on the basis of three (3) bonus issue for every four (4) existing shares held at no consideration and without capitalisation of the Company's reserves; and
- b) 80,486,763 additional Warrants 2021/2026 arising from the adjustment to the number of outstanding warrants in accordance with the Deed Poll dated 28 July 2021 with the exercise price of the warrants been adjusted from RM0.70 each to RM0.40 each as a result of the bonus issue.

(iii) Issuance of shares pursuant to the exercise of Warrants 2021/2026

During the current financial quarter, a total of 1,770,000 and 10,395,750 warrants were exercised by the registered warrant holders to subscribe for 12,165,750 new ordinary shares in the Company at the price of RM0.70 and RM0.40 per ordinary share respectively for every warrant exercised.

As at 30 September 2024, 177,406,788 Warrants 2021/2026 remained unexercised.

A7. Dividend paid

The approved single tier dividend of 0.75 sen per ordinary share totalling RM3,324,897 in respect of the financial year ended 31 December 2023 was paid on 3 July 2024 to depositors whose names appeared in the Record of Depositors on 14 June 2024.

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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.

Other non-reportable segment comprise operations related to the corporate assets and expenses, and other operations which are not sizeable to be reported separately.

The reportable segment information for the financial period ended 30 September 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	504,532	556,840	6,134	9,777	1,077,283
Inter segment revenue	33,449	147,601	402	101	181,553
Total reportable revenue	537,981	704,441	6,536	9,878	1,258,836
Reportable segment profit*	20,952	26,816	190	5,531	53,489
Reportable segment assets	515,399	784,784	137,342	57,482	1,495,007
Reportable segment liabilities	(308,906)	(363,085)	(2,757)	(12,022)	(686,770)

Reconciliation of reportable segment profit or loss for the financial period ended 30 September 2024

	RM'000
Total profit for reportable segments*	53,489
Other non-reportable segment loss	(77)
Elimination of inter-segment transactions	6
Depreciation	(17,615)
Finance costs	(20,259)
Finance income	4,165
Share of profit of an equity-accounted associate, net of tax	6
Consolidated profit before tax	19,715

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

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A9. Subsequent events

Issuance of shares pursuant to the exercise of Warrants 2021/2026

A total of 5,000,000 warrants were exercised by the registered warrant holders to subscribe for 5,000,000 new ordinary shares in the Company at RM0.40 per ordinary share for every warrant exercised.

Other than the above, there were no material subsequent events since the end of the date of the last annual reporting period until 14 November 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:

	30 September 2024 RM'000	31 December 2023 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	570,404	643,739
- suppliers for credit facilities granted to its subsidiaries	3,459	3,830
	<u>573,863</u>	<u>647,569</u>

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

B1. Review of performance

	9 months ended 30 September	
	2024 RM'000	2023 RM'000
Revenue	1,077,367	1,099,628
Segmental profit	53,412	49,331
Profit before tax	19,715	14,048
Profit after tax	13,183	8,928
Profit attributable to Owners of the Company	12,827	8,599

The Group recorded a decrease in net revenue for the current financial period ended 30 September 2024 as compared to the preceding year mainly attributable to the weak market demand for certain metal-related trading products and manufactured steel products. However, the increase in corresponding profit before tax was mainly attributable to a gain on disposal of a hotel property located at Kuala Lumpur of RM5.4 million during the current quarter.

On the financial review for the nine months ended 30 September 2024, the Group's equity attributable to owners of the Company increased marginally by 2.1% from RM806.0 million as of

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31 December 2023 to RM823.1 million as of 30 September 2024 resulted from the increase in retained earnings and share capital arising from the exercise of warrants and disposal of treasury shares. The restated net assets per share of the Group remained at RM1.07 as of 31 December 2023 and as of 30 September 2024. The improvement in net gearing ratio from 0.67 times as of 31 December 2023 to 0.52 times as of 30 September 2024 was mainly due to the decrease in bank borrowings to procure raw materials and 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 RM504.5 million (2023: RM523.9 million) which represented a decrease of 3.7% and the segment contributed 46.8% of the Group's total net revenue. This segment recorded a lower segmental profit and profit before tax of RM21.0 million (2023: RM25.0 million) and RM10.1 million (2023: RM13.1 million) which represented a decline of 16.2% and 22.9% respectively from the preceding year. This segment accounted for 39.2% of the Group's segmental profit and 51.2% 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 weak domestic market demand.

Manufacturing segment

The manufacturing segment recorded a net revenue of RM556.9 million (2023: RM560.3 million) which represented a marginal decrease of 0.6% and the segment contributed 51.7% of the Group's total net revenue. The segment recorded a marginal fluctuation in segmental profit of RM26.8 million (2023: RM26.5 million) and profit before tax of RM7.5 million (2023: RM7.6 million). This segment accounted for 50.2% of the Group's segmental profit and 38.1% of the Group's profit before tax.

The marginal decrease in net revenue and profit before tax was mainly due to the weak market demand and the volatility in the international and domestic steel prices.

Property development segment

This segment recorded a net revenue of RM6.1 million (2023: RM8.0 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 residential units for Tiara Residence project were completely sold (2023: 95.7%) and Amanja project was 95.1% (2023: 92.4%) sold as of 30 September 2024.

There are still 11 unsold residential units at Amanja project and 26 unsold commercial and residential units at Emerald Avenue project remaining for sale. This segment recorded an improved loss before tax of RM0.8 million (2023: RM1.1 million) to maintain these unsold properties.

Hospitality segment

This segment recorded an increase in net revenue of RM9.8 million (2023: RM7.4 million) due to the higher number of rooms sold of 45,464 (2023: 33,287) with the corresponding increase in average occupancy rate of 49.5% (2023: 36.3%) at all three operating hotels, and higher meetings, incentives, conferences and exhibitions ("MICE") activities.

Excluding the gain on disposal of a hotel property located at Kuala Lumpur of RM5.4 million as elaborated in **Note A4** above, the segment recorded a reduction in loss before tax of RM2.2 million

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(2023: RM4.3 million) which included largely the borrowing cost and depreciation of RM2.8 million (2023: RM3.6 million).

B2. Comparison with preceding financial quarter's results

	3 months ended	
	30/9/24	30/6/24
	RM'000	RM'000
Revenue	364,625	329,198
Profit before tax	2,154	3,428

The increase in revenue as compared to the preceding quarter ended 30 June 2024 was mainly due to improved market demand for certain metal-related trading products and manufactured steel products. Excluding a gain on disposal of a hotel property located in Kuala Lumpur of RM5.4 million during the current quarter, the operating loss before tax of RM3.2 million was mainly due to the lower selling prices arising from the increased market competition for certain manufactured steel products in light of the volatility in domestic metal prices.

B3. Prospects

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment ("M&E") while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024. Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending. On the domestic front, investment activities will be supported by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and higher realisation of approved investments are also key drivers for investment activities. These investments which are supported by higher capital imports will raise exports and expand productive capacity in the economy. Household spending will be underpinned by continued employment and wage growth as well as policy measures. Externally, the ongoing global tech upcycle, continued strong demand for manufactured goods and commodities, and higher tourist spending are expected to lift exports. The growth outlook remains subject to downside risks stemming from slower external demand, further escalation of geopolitical tensions and protectionist measures as well as weaker-than-expected commodity production. Nevertheless, upside risks to growth include greater spillovers from the tech upcycle, faster implementation of investment projects and more robust tourism activity. (Source: *Bank Negara Malaysia: Economic and Financial Developments in Malaysia in the Third 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 residential and commercial properties located at Kepong and Selayang, and explore property

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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 MICE activities to achieve higher gross operating profits.

The performance of the Group in the remaining 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 30/9/24 RM'000	Cumulative quarter 9 months ended 30/9/24 RM'000
Income tax expense		
- current financial year	384	7,467
- overprovision in prior financial year	(203)	(203)
Real property gain tax		
- current financial year	217	217
Deferred tax expense		
- origination and reversal of temporary differences	70	(949)
	<u>468</u>	<u>6,532</u>
Reconciliation of tax expense		
Income tax using Malaysian tax rate of 24%	517	4,732
Income not subjected to tax	(1,295)	(1,295)
Real property gain tax	217	217
Non-deductible expenses	1,232	3,081
Overprovision in prior financial year	(203)	(203)
	<u>468</u>	<u>6,532</u>

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed for the financial quarter under review and financial year-to-date.

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B7. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2024 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Denominated in Ringgit Malaysia</i>			
Hire purchase liabilities	2,204	-	2,204
Term loans	51,726	-	51,726
	<u>53,930</u>	<u>-</u>	<u>53,930</u>
Current			
<i>Denominated in Ringgit Malaysia</i>			
Bank overdrafts	7,498	16,454	23,952
Hire purchase liabilities	2,318	-	2,318
Revolving credit	-	128,392	128,392
Bankers' acceptances	60,294	294,327	354,621
Term loans	8,312	-	8,312
	<u>78,422</u>	<u>439,173</u>	<u>517,595</u>

B8. Changes in Material Litigation

There was no impending material litigation as at 14 November 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 30 September 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 and the financial period ended 30 September 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 30 September		Cumulative quarter 9 months ended 30 September	
	2024 '000	2023^(a) '000	2024 '000	2023^(a) '000
Profit attributable to owners of the Company (RM)	1,824	3,185	12,827	8,599
<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	-	(3,735)	(1,149)	(13,558)
Effects of bonus issue	333,816	332,489	333,816	332,489
Effects of exercise warrants	4,635	-	1,556	-
Weighted average number of ordinary shares as at 30 September	<u>781,770</u>	<u>772,073</u>	<u>777,542</u>	<u>762,250</u>
Basic earnings per ordinary share (sen)	<u>0.23</u>	<u>0.41</u>	<u>1.65</u>	<u>1.13</u>

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Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share for the current financial quarter and the financial period ended 30 September 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		Cumulative quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2024	2023^(a)	2024	2023^(a)
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	1,824	3,185	12,827	8,599
Effects of exercise of warrants (RM)	766	-	2,336	-
Adjusted profit attributable to owners of the Company (RM)	<u>2,590</u>	<u>3,185</u>	<u>15,163</u>	<u>8,599</u>
Weighted average number of ordinary shares (basic) as at 30 September	781,770	772,073	777,542	762,250
Effects of exercise of warrants	184,938	-	188,016	-
Weighted average number of ordinary shares (diluted) as at 30 September	<u>966,708</u>	<u>772,073</u>	<u>965,558</u>	<u>762,250</u>
Diluted earnings per ordinary share (sen)*	<u>0.27</u>	<u>0.41^(b)</u>	<u>1.57</u>	<u>1.13^(b)</u>

Note:

- (a) For comparative purpose, the earnings per share for individual and cumulative quarter ended 30 September 2023 had been adjusted retrospectively to reflect the bonus issue of ordinary shares which was completed on 12 August 2024.
- (b) 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	9 months ended
	30/9/24	30/9/24
	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):		
Bad debts written off	-	8
Depreciation of:		
- investment properties	237	711
- property, plant and equipment	5,402	16,269
- right-of-use assets	234	635
Finance costs	6,175	20,259
Finance income	(840)	(4,165)
Gain on derecognition of right-of-use assets	(2)	(2)
Gain on disposal of property, plant and equipment	(5,423)	(5,615)
Inventories written down	1,530	3,394

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	Individual quarter 3 months ended 30/9/24 RM'000	Cumulative quarter 9 months ended 30/9/24 RM'000
Net loss on impairment of financial instruments		
- trade receivables	565	1,503
Plant and equipment written off	-	-*
Realised loss on foreign exchange, net	106	47
Rental income:		
- land and buildings	(383)	(909)
- machine	(1)	(3)
- vehicle	(69)	(207)
Share of profit of an equity-accounted associate, net of tax	(3)	(6)
	=====	=====

* Denotes amount less than RM500.

B12. Capital commitment

	30 September 2024 RM'000
Property, plant and equipment	
Authorised but not contracted for	9,407
Contracted but not provided for	14,939
	<hr/>
	24,346
	<hr/>

B13. Related party transactions

Significant related party transactions with companies in which certain Directors have interests for the financial period ended 30 September 2024 were as follows:

	RM'000
Sales	(1,979)
Purchases	15,814
Rental income	(261)
Expenses relating to short-term leases	1,137
Consultancy fee expenses	423
	=====

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

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B14. Provision of financial assistance

Pursuant to paragraph 8.23(1) of the Listing Requirements, the amount of financial assistance provided by the Company and its subsidiaries based on the outstanding banking and credit facilities are as follows:

	30 September 2024 RM'000	31 December 2023 RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its non-wholly owned subsidiaries	119,475	108,601
- suppliers for credit facilities granted to its non-wholly owned subsidiaries	337	357
	<u>119,812</u>	<u>108,958</u>

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