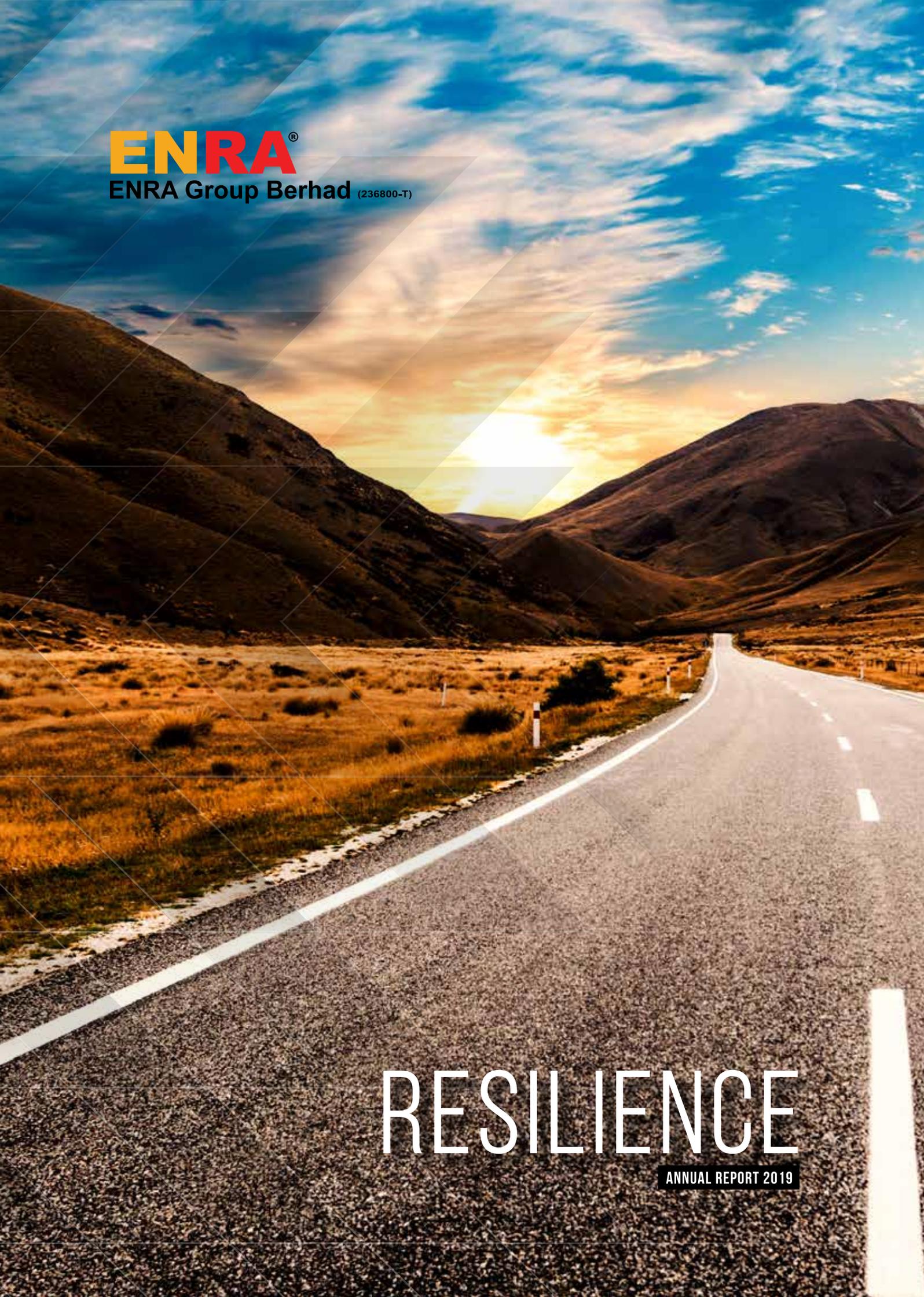




**ENRA**<sup>®</sup>  
ENRA Group Berhad (236800-T)



# RESILIENCE

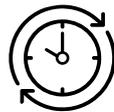
ANNUAL REPORT 2019

# Annual General Meeting

The Twenty-Seventh (27th) Annual General Meeting  
of ENRA Group Berhad



Thursday  
19 September 2019



10.00 a.m.  
Morning

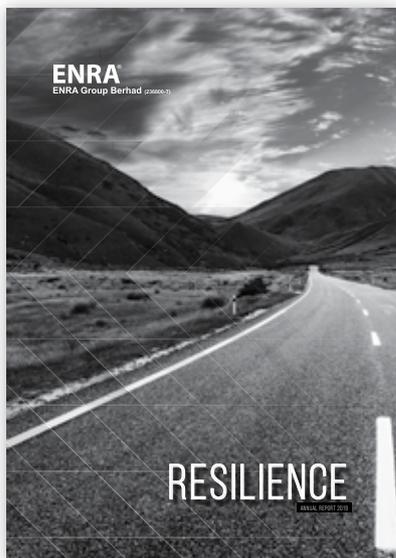


Yayasan Budi Penyayang Malaysia, Dewan Penyayang  
Level 2, Wisma Penyayang, No. 6 Jalan Equine,  
Taman Equine, Bandar Putra Permai,  
43300 Seri Kembangan, Selangor Darul Ehsan



## Our Vision

Through shared values,  
innovation and technology,  
ENRA will enable its people  
to create sustainable  
enterprise value in a manner  
that is responsible to its  
stakeholders, community  
and environment.



### COVER RATIONALE :

The road to the pinnacle of success  
will be forged by ENRA's resilience and  
steadfastness in staying the course.

## Our Shared Values



### ETHICAL

To make decisions that promote goodness and  
avoid harm

### NOBLE

To behave in a manner that is respectful to others

### RELIABLE

To keep and deliver promises that have been made

### ACCOUNTABLE

To take ownership of all outcomes and never  
passing blame

# What's Inside

ENRA Group Berhad Annual Report 2019

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Annual Report 2019

# Corporate Information

As at 30 June 2019

## BOARD OF DIRECTORS

**Datuk Ali bin Abdul Kadir**  
Independent Non-Executive  
Chairman

**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**  
Senior Independent Non-Executive  
Director

**Datuk Anuar bin Ahmad**  
Independent Non-Executive Director

**Tan Sri Dato' Kamaluddin bin Abdullah**  
Executive Deputy Chairman

**Dato' Mazlin bin Md Junid**  
President & Group Chief Executive  
Officer

**Kok Kong Chin**  
Executive Director

**Dato' Wee Yiau Hin**  
Independent Non-Executive Director

**Loh Chen Yook**  
Independent Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

*Chairman*

**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**

*Member*

**Datuk Ali bin Abdul Kadir**  
**Datuk Anuar bin Ahmad**  
**Dato' Wee Yiau Hin**

## BOARD NOMINATION AND REMUNERATION COMMITTEE

*Chairman*

**Datuk Anuar bin Ahmad**

*Member*

**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**  
**Dato' Wee Yiau Hin**

## COMPANY SECRETARY

**Cheong Lisa**  
MAICSA 7009457

## SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.  
Lot 10, The Highway Centre  
Jalan 51/205  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7784 3922  
Fax : 03-7784 1988

## REGISTERED OFFICE

D2-U3-10, Block D2 Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Tel : 03-2300 3555  
Fax : 03-2300 3550  
Email : info@enra.my  
Website : www.enra.my

## AUDITORS

BDO PLT  
LLP0018825-LCA & AF-0206  
Level 8  
BDO @ Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur

## PRINCIPAL BANKERS/LENDERS

CIMB Bank Berhad  
Malayan Banking Berhad  
AmBank (M) Berhad

## STOCK EXCHANGE LISTING

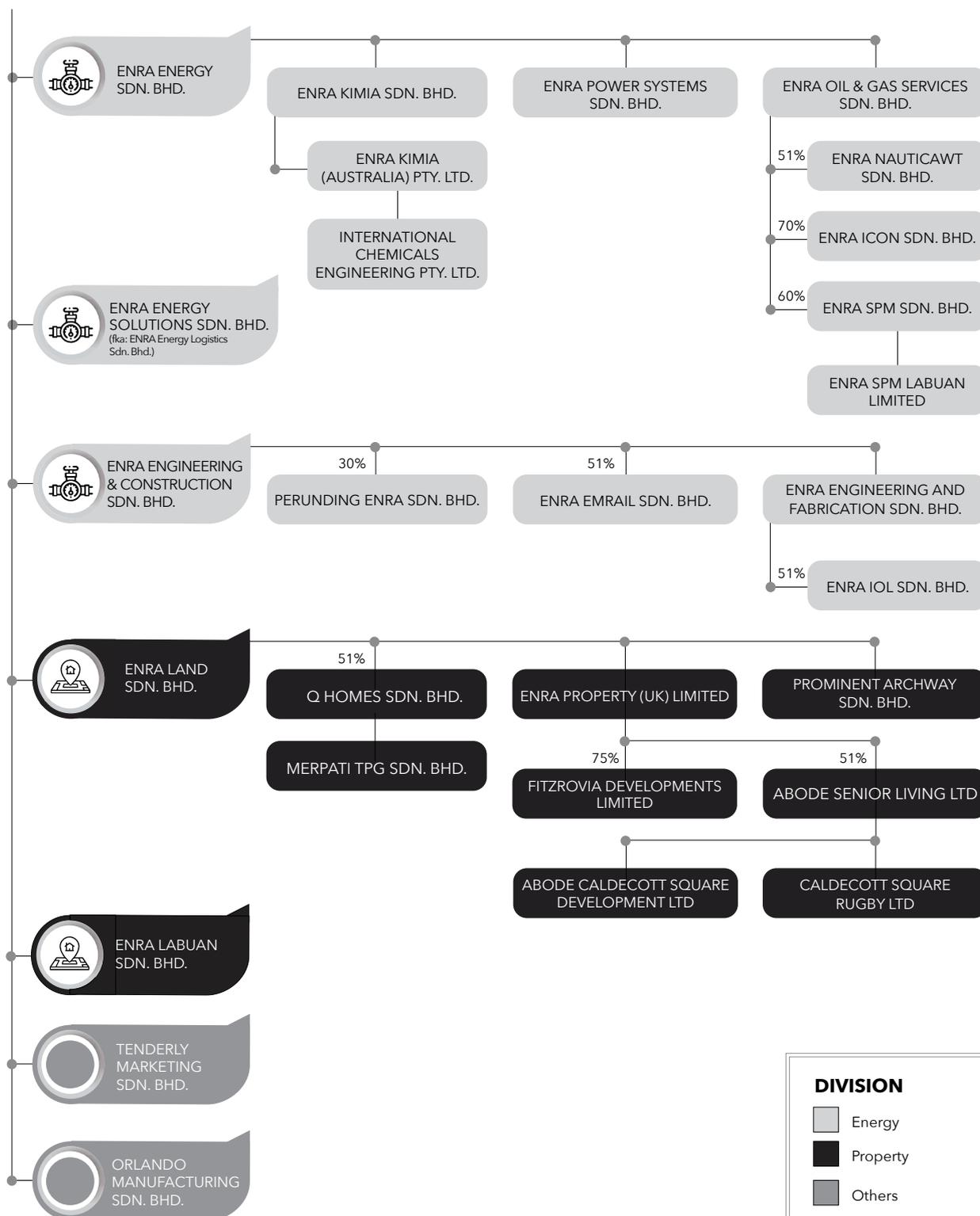
Main Market of Bursa Malaysia  
Securities Berhad  
Stock Code: 8613  
Stock Name: ENRA

# Corporate Structure

As at 30 June 2019

## ENRA®

ENRA Group Berhad (236800-T)



**DIVISION**

- Energy
- Property
- Others

Note: Unless stated otherwise all entities are 100% owned by ENRA Group Berhad

# Five-Year Financial Highlights

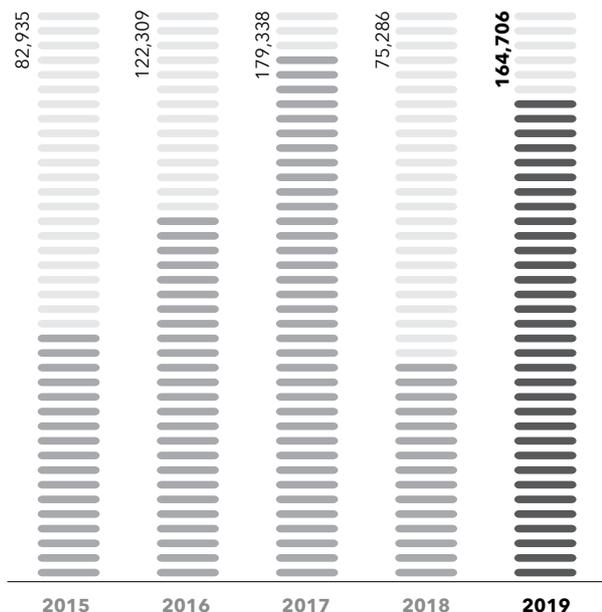
Financial Year Ended 31 March:	2015	2016	2017	2018	2019
	FRS <sup>1</sup>	FRS <sup>1</sup>	FRS <sup>1</sup>	MFRS <sup>2</sup>	MFRS <sup>2</sup>
<b>Continuing Operations</b>					
- Revenue (RM'000)	82,935	122,309	179,338	75,286	164,706
- Gross profit (RM'000)	16,033	35,714	54,973	21,367	32,570
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)	9,955	22,599	29,848	1,719	9,701
- EBITDA excluding major exceptional items (RM'000)	9,955	22,599	29,848	(2,373)	34,239
- Profit/(Loss) before tax ("PBT/LBT") (excluding major exceptional items (RM'000)	4,789	21,595	28,521	(5,482)	4,346
- PATAMI excluding major exceptional items (RM'000)	1,394	9,361	11,930	(6,768)	(1,915)
- EBITDA excluding major exceptional items per share (sen)	7.38	16.75	22.12	(1.76)	25.38
- Earnings per share ("EPS") (sen)	1.03	6.94	8.84	(1.98)	(17.89)
Shareholders' equity (RM'000)	223,462	235,203	152,745	151,321	123,075
Net assets per share (RM)	1.66	1.74	1.13	1.12	0.91
Share price as at year end (RM)	2.06	2.05	2.83	2.66	1.15
<b>Major exceptional items (RM'000) (above RM1.0 million and not expected to recur)</b>					
Derecognition of contingent consideration for business acquisition	-	-	-	(4,092)	-
Net realisable value write down for inventories	-	-	-	-	9,276
Additional impairment loss to fully provide a trade receivable	-	-	-	-	15,262
	-	-	-	<b>(4,092)</b>	<b>24,538</b>

1. FRS - Financial Reporting Standards framework

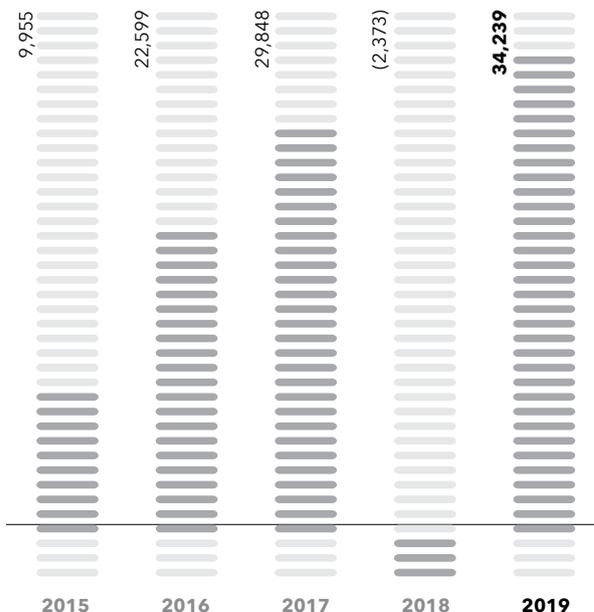
2. MFRS - Malaysian Financial Reporting Standards framework (transition date for ENRA: 1 April 2017)

## Five-Year Financial Highlights

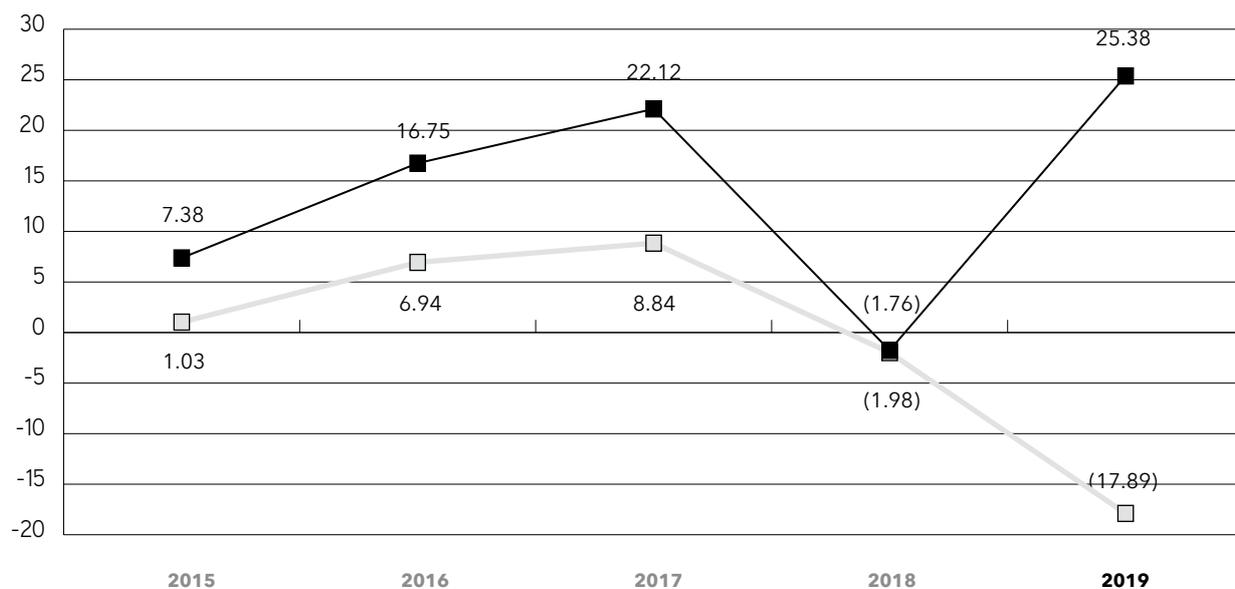
**REVENUE FROM CONTINUING OPERATIONS  
(RM'000)**



**EBITDA EXCLUDING MAJOR EXCEPTIONAL ITEMS  
(RM'000)**



**PER SHARE FROM 2015 TO 2019**



■ EBITDA excluding major exceptional items per share (sen)

□ Earnings per share ("EPS") (sen)

# Chairman's Statement

Dear Shareholders,

**On behalf of the Board of Directors of ENRA Group Berhad ("ENRA" or the "Group") (the "Board"), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2019 ("FYE 2019"), as attached.**

The Group remains cognisant of the volatility and competitiveness of the oil & gas industry, and the soft real estate market in Malaysia. As such, the Board and management have maintained a conservative stance in its business expansion efforts - prioritising stability and balance sheet health, and pursuing less aggressive projects and investments. In line with this prudent approach, the Group divested its low-yielding limited growth investment properties (which completed in FYE 2019) and embarked on new opportunities in the oil & gas space which, by nature, provide longer term recurring stable income. I am pleased that in FYE 2019, having completed all of what we started in FYE 2018, our efforts are bearing fruit, though there have been some unfortunate setbacks through no fault of our own.

Overall, we end FYE 2019 on a strong footing, with our prudent approach to business shielding the Group from the various challenges affecting both oil & gas and real estate. Operationally and excluding one-off exceptional items, the Group generated positive cash flow for the year, grew its revenue and earnings substantially, and is poised to continue this growth trend. Our balance sheet remains healthy, with sufficient capital to pursue more aggressive opportunities when the market environment improves.

The Energy Services division under which our oil & gas businesses are thriving is still growing steadily, with revenue growing threefold from the previous year and profit before tax for the division demonstrating its third consecutive year of growth. In line with our successful forays in FYE 2019, the team continues to explore more investments and projects in both our upstream and downstream sub-sectors.

Generally, the Property Development division has been cautious and diligent on the property sector for the last 2 financial years but we are pleased to be embarking on two new real estate ventures - a multi-apartment development in the UK targeting a niche but growing area of retirement living, and the setting up of Q Homes Sdn Bhd to target the largest residential market segment in Klang Valley.

ENRA has, in a short space of time, successfully diversified into oil & gas in addition to property development, and I am proud that our businesses are built on meritocratic quantitative and qualitative fundamentals. I look forward to this continuing growth and for greater things to come.

Thank you.

**Datuk Ali bin Abdul Kadir**

Chairman

25 June 2019

# Board of Directors' Profiles

As at 30 June 2019

## Datuk Ali bin Abdul Kadir

Chairman, Independent Non-Executive Director  
Malaysian, Male, Age 70

Datuk Ali was appointed to the Board as Chairman on 1 June 2015. He is also a member of the Audit and Risk Management Committee.

He is a Fellow of the Institute of Chartered Accountants in England and Wales ("ICAEW"), member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"). He is also Honorary Advisor to ICAEW-KL City Chapter and Honorary Fellow of the Institute of Chartered Secretaries & Administrators (UK).

Datuk Ali is currently the Chairman of JcbNext Berhad and a Board member of Glomac Berhad, Ekuiti Nasional Berhad, Citibank Berhad, Labuan Financial Services Authority and other private companies and foundations.

Datuk Ali was appointed as Chairman of the Securities Commission of Malaysia on 1 March 1999 and served in that capacity until 29 February 2004. He also served on a number of national-level committees including the Foreign Investment Committee, the Oversight Committee of National Asset Management Company (Danaharta). Prior to his appointment to the Securities Commission, he was the Executive Chairman and Partner of Ernst & Young and its related firms. He was also the former President of the MICPA, chairing both its Executive Committee and Insolvency Practices Committee and co-chairing the Company Law Forum. He was appointed an Adjunct Professor in the Accounting and Business Faculty, University of Malaya (2008 till 2011) and was then appointed to the Advisory Board of the same Faculty.

Datuk Ali was awarded the Panglima Jasa Negara (PJN) by the Yang di-Pertuan Agong in 2001. In 2012, he was bestowed the Lifetime Achievement Award by ICAEW and the President's Award by MICPA.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company.

He attended all 7 Board meetings held during the financial year under review.

## Tan Sri Dato' Kamaluddin bin Abdullah

Executive Deputy Chairman  
Malaysian, Male, Age 52

Tan Sri Dato' Kamaluddin was appointed to the Board on 20 April 2015 as a Non-Independent Non-Executive Director. He was redesignated as Executive Deputy Chairman of the Company on 1 June 2015. He is also the Chairman of the Executive Committee. He graduated with a Bachelor of Arts (Hons) in Law from the University of Cambridge, United Kingdom. He is also a Barrister-at-law of the Middle Temple.

He started his career with the Sime Darby Group, a major multi-national company, based in Malaysia. During his 5 years term with the Group, he served in the tyre manufacturing and plantations divisions covering the areas of marketing, corporate affairs, human resources, administration and legal affairs.

After his stint in Sime Darby, he joined Dewina Berhad a diversified food group listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") and served as its Group Executive Director. He was also a major shareholder of Dewina Berhad.

Tan Sri Dato' Kamaluddin is also a substantial shareholder of Scomi Group Berhad, a company listed on Bursa Malaysia, which is involved in the areas of oil field services, marine logistics and transportation engineering.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended all 7 Board meetings held during the financial year under review.

## Board of Directors' Profiles

As at 30 June 2019

### Dato' Mazlin bin Md Junid

President & Group Chief Executive Officer  
Malaysian, Male, Age 57

Dato' Mazlin was appointed to the Board on 20 April 2015 as a Non-Independent and Non-Executive Director. He was redesignated as President & Group Chief Executive Officer on 1 June 2015. He is a member of the Executive Committee.

He holds a Bachelor of Science Degree in Mechanical Engineering from the University of Brighton (formerly known as Brighton Polytechnic), Sussex, England and a Masters in Business Administration from Cranfield University, England.

He started his career 1984 with Hicom Yamaha Manufacturing (M) Sdn. Bhd. as Assistant Manager of Operations to head the Planning, Operations and Production Control.

In 1987, he joined PA Consulting Group based in the United Kingdom as Senior Consultant & Regional Manager for the manufacturing sector. During his 4 years stint with PA Consulting Group, he was seconded to work in 13 different organisations in the area of performance improvement and profit turnaround.

In 1992, he left PA Consulting Group and joined the Sime Darby Group as Managing Director of 5 companies. He ascended to the group level of the Sime Darby group in 1995 as Group Manager.

From 1995-1997, he was a business partner of ASPAC Executive Search Sdn. Bhd. ("ASPAC"), a recruitment agency in Malaysia with operations in the United Kingdom, Australia and other Asian countries through affiliate offices.

After he divested his equity stake in ASPAC, he acquired a majority interest in SECA Dyme Sdn. Bhd. ("SECA"), a petrochemical supply company.

In 2007, he was appointed as the Executive Vice Chairman, President & Group Chief Executive Officer of Daya Materials Berhad ("DMB") after DMB acquired SECA. He resigned from the Board of DMB in August 2014. He was also formerly an Independent Non-Executive Director of Sapura Industrial Berhad, Sapura Technology Berhad and Metronic Global Berhad, an Independent Non-Executive Director and Chairman of the Audit Committee of MTD Infraperdana Berhad and an Executive Director-Corporate Affairs & Development in Reach Energy Berhad.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended 6 out of 7 Board meetings held during the financial year under review.

### Kok Kong Chin

Executive Director  
Malaysian, Male, Age 53

Mr. Kok was appointed to the Board on 26 February 2016 as a Non-Independent Non-Executive Director. He was redesignated as an Executive Director of the Company on 1 August 2016. He is a member of the Executive Committee.

He graduated from the National University of Malaysia with a BBA (Hons) degree and holds an MBA from Schulich School of Business, York University, Canada. He has also completed the Advanced Leadership Programme by Judge Business School, University of Cambridge.

He has over 25 years of banking experience particularly in the areas of corporate and investment banking, private equity, finance and treasury. He also has extensive general management experience including managing a public listed company and cross border business divisions.

He was Group Managing Director of Tropicana Corporation Berhad from March 2014 to February 2016. During his tenure, he was a member of the Group Executive Committee and a board member of Tropicana Group major subsidiaries.

He was an independent director of Ping Petroleum Ltd, an independent upstream company focused on shallow water offshore production and development in South East Asia and the North Sea from June 2012 to June 2015.

Prior to joining Tropicana, he was with CIMB Group for over 10 years where he held several senior positions including Head of Regional Banking and Co-Head of Investment Banking.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended all 7 Board meetings held during the financial year under review.

## Board of Directors' Profiles

As at 30 June 2019

### Tan Sri Dato' Seri Shamsul Azhar bin Abbas

Senior Independent Non-Executive Director  
Malaysian, Male, Age 67

Tan Sri Dato' Seri Shamsul Azhar was appointed to the Board on 15 June 2015. He is the Senior Independent Non-Executive Director of the Company. He is also the Chairman of the Audit and Risk Management Committee and a member of the Board Nomination and Remuneration Committee.

He holds a Master's of Science in Energy Management from the University of Pennsylvania, United States of America, a Degree in Political Science from Universiti Sains Malaysia as well as a Technical Diploma in Petroleum Economics from Institute Francaise du Petrole in France.

He joined Petroliam Nasional Berhad ("PETRONAS") in 1975 and served in various capacities during his 40 years tenure with the organisation including his last held position as President and Chief Executive Officer of PETRONAS from 2010 to 2015.

During the tenure of his leadership he guided PETRONAS in undertaking strategic landmark projects (both for PETRONAS and Malaysia), such as the Pengerang Integrated Refinery and Petrochemical Project (RAPID), the Bintulu Train 9 project, the construction of 2 PETRONAS Floating Liquefied Natural Gas ("LNG") facilities and Malaysia's first Regasification terminal in Malacca.

Tan Sri was the President/Chief Executive Officer of MISC Berhad from 1 July 2004 until 31 December 2008 and was its Chairman from February 2010 to 1 August 2011. He also served as Pro-Chancellor of Universiti Teknologi PETRONAS, a member of the Board of Trustees of the Razak School of Government and the Chairman of the National Trust Fund of Malaysia.

He is currently the Chairman of MMC Corporation Berhad and a director of NCB Holdings Bhd.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended all 7 Board meetings held during the financial year under review.

### Datuk Anuar bin Ahmad

Independent Non-Executive Director  
Malaysian, Male, Age 65

Datuk Anuar was appointed to the Board on 1 June 2015. He is the Chairman of the Board Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He graduated in 1977 with a Bachelor of Economics (Honours) from the London School of Economics and Political Science from University of London.

He started his career in 1977 with Petroliam Nasional Berhad ("PETRONAS"). During his 36 years of service with the PETRONAS Group, he held various senior managerial and leadership positions in marketing, trading, corporate planning and human resource management until his retirement in April 2014 where his last position held was the Executive Vice President of Gas and Power Business.

During his stint with PETRONAS Group, he was appointed as the Managing Director and Chief Executive Officer in PETRONAS Dagangan Berhad from 1998 to 2002. He was also a member of PETRONAS Management Committee and member of PETRONAS board from 2002 to April 2014. He also sat on the board of various companies within PETRONAS Group. In 1997, between his years of service with the PETRONAS Group, he underwent a 3-month business management course under the Advanced Management Program at Harvard Business School.

Presently, he is an Independent Non-Executive Director of PETRONAS Dagangan Berhad, Nylex (Malaysia) Berhad, Kumpulan Fima Berhad and Chemical Company of Malaysia Berhad, all of which are companies listed on Bursa Malaysia Securities Berhad. He also holds directorships in a few private companies.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended all 7 Board meetings held during the financial year under review.

## Board of Directors' Profiles

As at 30 June 2019

### Dato' Wee Yiaw Hin

Independent Non-Executive Director  
Malaysian, Male, Age 60

Dato' Wee was appointed to the Board on 24 August 2016. He is also a member of the Audit and Risk Management Committee and Board Nomination and Remuneration Committee. He graduated as a Civil Engineer and holds a Masters of Science Degree from Imperial College, United Kingdom.

He has more than 30 years of experience in the oil & gas industry across the Exploration & Production ("E&P") and Gas & Liquefied Natural Gas ("LNG") value chain. His experience spans across the technical/operational functions as well as corporate matters including senior management level and Board positions.

He spent 21 years in Shell in Malaysia and overseas where he took up a number of senior positions in countries including United Kingdom and South Africa. His last job with Shell was Vice President, Malaysia for Upstream International Asia and Managing Director of Shell Malaysia E&P Companies.

After a short period as Vice President for Talisman Energy, Malaysia where he spent some time in Canada, he joined Petrolim Nasional Berhad ("PETRONAS") as Executive Vice President and Chief Executive Officer of Upstream Business in May 2010. He retired from PETRONAS in April 2016.

Presently, he also sits on the board of Cagamas Berhad, Anton Oilfield Services Group, which is listed on the Hong Kong Stock Exchange and Tamarind Resources Limited, Australia. He is also the Chairman of the Remuneration Committee, a member of the Audit Committee as well as the Nomination Committee of Anton Oilfield Services Group.

He does not have any family relationship with any director and/or major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended all 7 Board meetings held during the financial year under review.

### Loh Chen Yook

Independent Non-Executive Director  
Malaysian, Male, Age 64

Mr. Loh was appointed to the Board on 1 June 2015 as a Non-Independent Non-Executive Director. Prior to the change in substantial shareholders of the Company following a mandatory general offer in 2015, Mr Loh was the Managing Director of the Company, then known as Perduren (M) Bhd, from the year 2007 to year 2014. He resigned from the Board on 20 April 2015 and was re-appointed as Non-Executive Director on 1 June 2015 to the new Board of the Company which had assumed the new name, ENRA Group Berhad. With effect from 29 November 2018, Mr Loh was redesignated as an Independent Non-Executive Director.

Mr Loh has over 30 years of experience in the property development, infrastructure, building construction as well as timber logging business. Currently, he is also the Chairman of Karyon Industries Berhad.

He has not been convicted of any offences within the past 5 years nor has been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

He attended all 7 Board meetings held during the financial year under review.

# Key Senior Management Profile

## EXECUTIVE COMMITTEE

- 1) Tan Sri Dato' Kamaluddin bin Abdullah, Executive Deputy Chairman
- 2) Dato' Mazlin bin Md Junid, President & Group Chief Executive Officer
- 3) Kok Kong Chin, Executive Director

The profiles of Tan Sri Dato' Kamaluddin bin Abdullah, Dato' Mazlin bin Md Junid and Kok Kong Chin are set out on pages 7 and 8 of this Annual Report.

### RAYBURN

#### AZHAR BIN ALI

Senior Vice President,  
Downstream Oil & Gas Business

#### Date Appointed

1 January 2016

#### Nationality

Malaysian

#### Age/Gender

49/Male

#### Qualifications

- Bachelor of Business Administration in Accountancy, University of Notre Dame, Indiana, USA

#### Working Experiences

- Tri-Synergy (M) Sdn. Bhd. - General Director (1999 - 2002)
- Darul Karisma Group - GM Business Development (1999 - 2005)
- DK Kurita Sdn. Bhd. - CEO (2004 - 2007)
- Daya Secadyme Sdn. Bhd. - CEO (2008 - 2015)

#### Directorship in listed/public companies

- None

### ZAINUN

#### BINTI YUSOF

Senior Vice President,  
Group Oil & Gas Services

#### Date Appointed

1 September 2016

#### Nationality

Malaysian

#### Age/Gender

52/Female

#### Qualifications:

- Bachelor of Science in Chemical Engineering West Virginia Institute of Technology, USA
- Chartered Professional Engineer (MIEAust CPEng) Institute of Engineers, Australia - Membership No: 4062313
- Professional Engineers (PEPC) Board of Engineers, Malaysia - Registration No: C114464
- Member of Institute of Engineers, Malaysia (MIEM) - Membership No: 38727

#### Working experiences:

- HUALON Corporation (M) Sdn Bhd - Chief Production & Quality Control (1990 - 1993)
- Petronas Research & Scientific Services - Principal Engineer (1993 - 2007)
- Granherne Pty Ltd - Senior Consultant (2011 - 2015)
- Essence Greentech Pty Ltd - Own Business (2015 - 2016)

#### Directorship in listed/public companies

- None

### FAIZUL

#### BIN ZAINOL

Senior Vice President,  
Group Business Development Oil & Gas

#### Date Appointed

1 May 2015

#### Nationality

Malaysian

#### Age/Gender

40/Male

#### Qualifications

- Bachelor of Engineering with Honours in Mechanical Engineering, Oxford Brookes University, UK
- Chartered Engineer (CEng.) & Chartered Marine Engineer (CMarEng.) - Institute of Marine Engineering, Science and Technology (IMarEST), United Kingdom - Membership No: 8012640
- Member of Board of Engineers Malaysia (BEM) - Membership No: GE48897A

#### Working Experiences

- American computer data storage company (2002-2005)
- Sapura Energy Berhad - Operations Manager (2005 - 2013)
- Daya Materials Berhad - Project Manager (2013-2015)

#### Directorship in listed/public companies

- None

## Key Senior Management Profile

### AMI AKHRAM BIN ABDULLAH

Senior Vice President, Group  
Finance & Shared Services / CFO

**Date Appointed**  
6 February 2017

**Nationality**  
Malaysian

**Age/Gender**  
41/Male

#### Qualifications

- Bachelor of Arts with Honours (1st Class) in Accounting & Finance and Business Administration - University of Kent, UK
- Fellow of ACCA (FCCA)
- Member of MIA (CA)

#### Working Experiences

- Ernst & Young - Snr. Manager (2002 - 2010)
- Audit Oversight Board, Securities Commission - Snr. Manager (2010 - 2011)
- Tradewinds (M) Berhad - Asst. GM (2011 - 2014)
- Central Sugars Refinery Sdn. Bhd. - Head of Finance (2014 - 2016)
- Asiaspace Sdn. Bhd. - CFO (2017)

#### Directorship in listed/public companies

- None

### DANIEL LAU LEE HOONG

Senior Vice President,  
Group Strategy

**Date Appointed**  
1 March 2015

**Nationality**  
Malaysian

**Age/Gender**  
36/Male

#### Qualifications

- Masters in Accounting & Business, Aston Business School
- Bachelor of Science with Honours in Computer Science, University of Warwick, UK

#### Working Experiences

- CIMB Investment Bank Berhad (2006 - 2009)
- Maestro Capital Sdn. Bhd., (2010 - 2015)

#### Directorship in listed/public companies

- None

### SHARON KOO SIEW LING

Senior Vice President,  
Group Legal

**Date Appointed**  
15 December 2014

**Nationality**  
Malaysian

**Age/Gender**  
50/Female

#### Qualifications

- Bachelor of Law (LLB), University of London
- Certificate in Legal Practice, Kemayan ATC

#### Working Experiences

- Advocate & Solicitor of the High Court of Malaya, Messrs. Lee Choon Wan & Co. (1995 - 2003)
- Head of Legal, Daya Materials Berhad (2014)

#### Directorship in listed/public companies

- None

## Key Senior Management Profile

### MELVINDER SINGH HARMINDER SINGH

Vice President,  
Group Internal Audit

#### Date Appointed

23 October 2015

#### Nationality

Malaysian

#### Age/Gender

51/Male

#### Qualifications

- Masters of Science in IT Management
- Chartered Member of IIA Malaysia, member of CPA Australia, De Montfort University
- Bachelor of Business in Accounting, Central Queensland University

#### Working Experiences

- CGRM Consulting as Director of Corporate Governance, Risk management & Internal Audit (2002)
- Westminster International Consultants(WIC) as Senior Consultant (2006)
- Freescale (formerly Motorola) - Head the Regional Audit Office for Asia Pacific (2008)
- Daya Material Berhad - Group Chief Internal Audit

#### Directorship in listed/public companies

- None

### SITI AISHA BINTI MOHD SAINI

Vice President,  
Group Human Capital &  
Administration

#### Date Appointed

1 January 2015

#### Nationality

Malaysian

#### Age/Gender

45/Female

#### Qualifications

- Bachelor of Human Resource Management, OUM
- Advance Diploma in Business Management, UNITAR
- Diploma in Office Management, UiTM

#### Working Experiences

- GL Noble Denton - Manager (2008 -2009)
- Sapura Acergy Sdn. Bhd. - C&B Manager (2009 - 2013)
- Daya Offshore Construction Sdn. Bhd. - Manager (2013)
- Daya Materials Berhad - GM Group HR & Administration ( 2013 - 2014)

#### Directorship in listed/public companies

- None

### CHEONG LISA

Company Secretary

#### Date Appointed

15 November 2016

#### Nationality

Malaysian

#### Age/Gender

50/Female

#### Qualifications

- Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators

#### Working Experiences

- More than 20 years' experience in company secretarial practice with various organisations ranging from consultancy firm to multinational conglomerates including the Kuok Group, Sime Darby Berhad and Malaysia Marine and Heavy Engineering Holdings Berhad.

#### Directorship in listed/public companies

- None



#### Notes

The Key Senior Managers have no family relationship with any Director and/or major shareholders of the Company, have no conflict of interest with the Company, have not been convicted of any offences within the past 5 years and have not been imposed with any penalty by the relevant regulatory bodies during the financial year ended 31 March 2019.

# Management Discussion and Analysis

## **ENRA Group Berhad (“ENRA”) and its subsidiaries (collectively the “Group”) concluded the financial year ended (“FYE”) 31 March 2019 (“FYE 2019”) on a strong footing despite the less than conducive economic environment in Malaysia.**

The Group’s prudent approach to business shielded us from the various challenges arising from the volatile oil & gas industry and soft real estate market. Operationally and excluding one-off exceptional items, the Group generated positive cash flow for the year, and grew its revenue and earnings substantially.

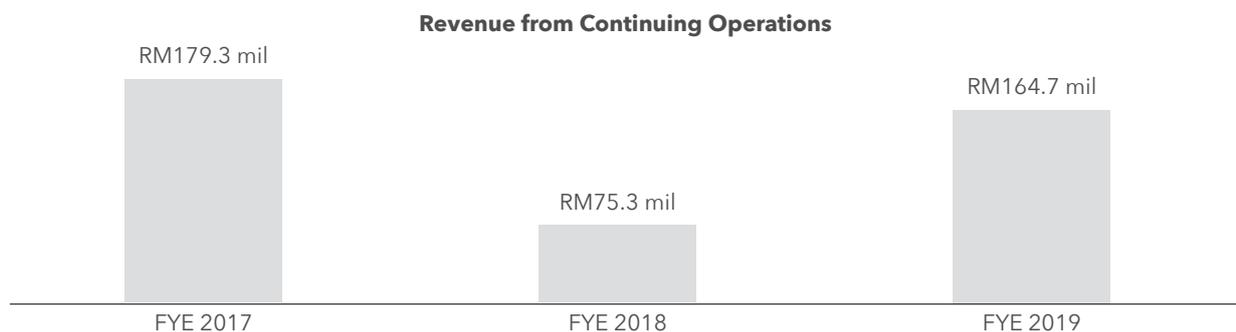
For the year under review, the Group:

- Completed the divestment of investment properties and raised capital to support new projects and ventures;
- Successfully installed and began operating our maiden floating storage and offloading solution for one of Petrolim Nasional Berhad’s (“PETRONAS”) offshore gas fields in Myanmar, which will generate additional recurring income for the Group;
- Completed the acquisition of International Chemicals Engineering Pty Ltd (“ICE”), a Melbourne-based odorants distributor, as part of geographical diversification and expansion for the Group’s downstream specialty chemicals business – ICE has performed admirably since our acquisition;
- Completed 93 Great Titchfield Street (Portland Chambers) in Central London and, by first half of the financial year of 2020, sold the two largest apartments despite the very challenging London residential market;
- Successfully pursued legal efforts to claim monies owed to ENRA Engineering & Fabrication Sdn Bhd (“EEFAB”) by a customer; and
- Identified new projects that we believe will contribute positively to the Group’s future performance.

Premised on the foregoing, this financial year was an active period for us, with the completion of the initiatives from the previous financial year yielding significant increases in financial performance in FYE 2019. Despite some setbacks beyond our control and the weak market environment, the Group’s diligent efforts as well as its conservative approach in deploying capital has enabled us to weather these challenges, and we are pleased to share the results of our efforts. As such, the Group begins the financial year of 2020 on a stable footing with a healthy balance sheet and sufficient capital to pursue more aggressive opportunities when the market environment improves.

### **FYE 2019 - GROUP’S FINANCIAL PERFORMANCE**

The Group concluded FYE 2019 having expanded the Energy Services Division (referred to as the Energy Division in the previous financial year) significantly during the year due to the consolidation of ICE, operations of ENRA SPM Sdn Bhd (“ESPM”), and increased demand for ENRA Kimia Sdn Bhd’s (“EKSB”) specialty chemicals. As a result, overall revenue has increased significantly by 118.8% YoY to RM164.7 million.

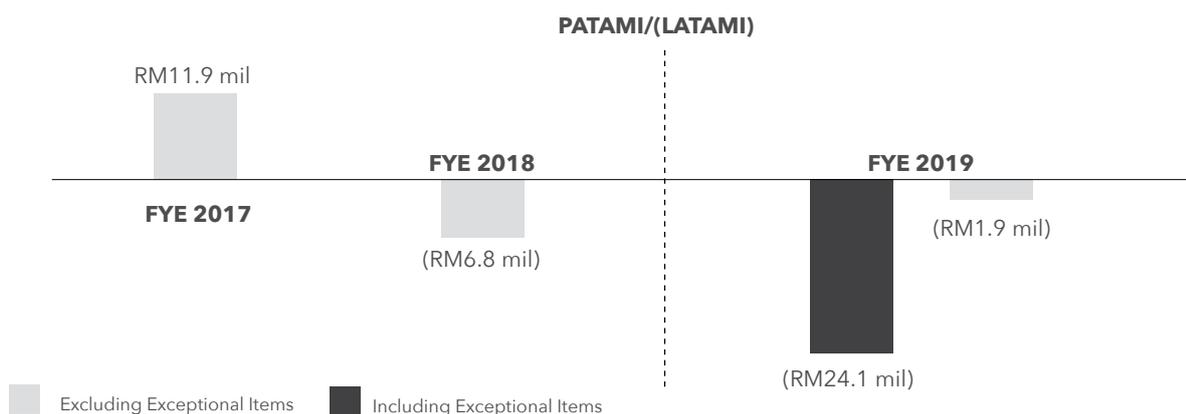


## Management Discussion and Analysis

We reported earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RM9.7 million and a loss after tax and minority interest (“LATAMI”) of RM24.1 million primarily due to the following exceptional items (“Exceptional Items”) that were included in FYE 2019:

- Having successfully completed a project in Kuantan, Pahang for Gemula Sdn Bhd (“Gemula”), EEFAB initiated a claim for monies due and payable by Gemula to EEFAB in respect of the project, including via legal avenues, the results of which have been in EEFAB’s favour. EEFAB continues to pursue the full recovery of this RM16.6 million trade debt through all legal means. However, a full provision for an impairment loss of RM16.6 million was made for this as the Board took a conservative assumption of not considering the value of assets to be recovered from a winding up petition served against Gemula; and
- The Group wrote down RM9.3 million on the gross development value of Portland Chambers for FYE 2019 to reflect the prevailing volatile market sentiment in the UK, despite only completing the development in February 2019 (late FYE 2019). However, due to Portland Chamber’s unique characteristics, two units have been sold as of July 2019 and interest in the remaining two units has been active.

Excluding these Exceptional Items, FYE 2019’s EBITDA is RM34.2 million (FYE2018: -RM2.4 million) while LATAMI shrunk to RM1.9 million (FYE 2018: RM6.8 million), which is representative of the Group’s operational expansion and growth.



Set out below is the Group’s performance measured via two profitability indicators:

ASPECTS & INDICATORS	<b>FYE 2019</b>			REMARKS
	FYE 2018	(including Exceptional Items)	(excluding Exceptional Items)	
<b>PROFITABILITY</b> <b>Return on Equity (“ROE”)</b> (LATAMI / Equity)	-4.5%	-19.6%	-1.6%	ROEs and ROAs improved from FYE 2018 due to stronger division earnings in FYE 2019. (excluding Exceptional Items)
<b>OPERATIONAL EFFICIENCY</b> <b>Return on Assets (“ROA”)</b> (LATAMI / Total Assets)	-2.3%	-9.1%	-0.7%	

### **FYE 2019 - GROUP’S FINANCIAL POSITION OVERVIEW**

As mentioned earlier, the Group was conscious of the challenging environment for both oil & gas industry and property market in Malaysia, and therefore have been cautious in the deployment of our cash and paying off borrowings to reduce gearing. Some of our cash was utilised in several strategic investments that the management believed would provide long-term and steady return to the Group. Details of these investments will be further elaborated in the next sections.

As such, as at 31 March 2019, the Group’s cash and cash equivalents stood at RM30.0 million (does not yet include proceeds from the sale of our two units in Portland Chambers) and gearing ratio stood at 0.14 times compared to 0.46 times in the previous financial year.

## Management Discussion and Analysis

### SEGMENTAL PERFORMANCE

#### ENERGY SERVICES DIVISION

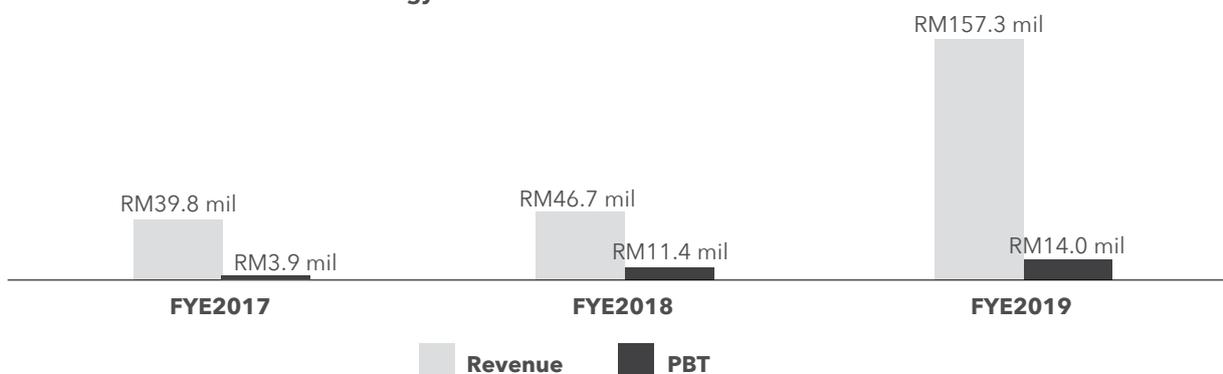
Since FYE 2016, the Group's efforts have been geared towards building a successful oil & gas division from scratch alongside the Group's active Property Development Division. The Energy Services Division is now the Group's largest contributor to revenue and profit, though this is also due to the Group's conservative approach to property development arising from the soft Malaysian real estate market. These efforts have culminated in notable financial performances from the specialty chemicals trading business that has grown consistently since FYE 2016, and the storage tanker & single point mooring ("SPM") system operations that started in FYE 2019.

Collectively, this division achieved RM157.3 million in revenue, growing 236.7% from FYE 2018's RM46.7 million while profit before tax ("PBT") improved by 23.5% to RM14.0 million (FYE 2018: RM11.4 million). EKSB contributed RM95.8 million (FYE 2018: RM43.3 million) in revenue and RM9.6 million (FYE 2018: RM7.1 million) in PBT. EKSB's operations have expanded considerably during the year and the team has already made headways outside of Malaysia - in Australia, Brunei and Indonesia - by providing similar products and services to its regional clients.

ESPM generated RM46.4 million in revenue and RM0.5 million in PBT from the leasing of the storage tanker & SPM system to PC Myanmar (Hong Kong) Ltd ("PCML"), a subsidiary of PETRONAS. The contract will continue to provide recurring revenue and income for the next three years.

In line with the diversification of this division into recurring and long-term income projects, the Energy Services Division's PBT margins reduced to 8.9% in FYE 2019 (FYE 2018: 24.3%).

**Energy Services Division's Financial Performance**



Our core focus moving forward remains the same, that is to build and nurture our capabilities in niche sub-segments of the oil & gas industry and provide optimum solutions in a cost-sensitive operating environment. The ICE acquisition and the four year contract between PCML and ESPM are examples of such objectives and we will continue similar efforts to expand the Energy Services Division's business. EKSB will also continue to bid for opportunities to support the Refinery & Petrochemical Integrated Development project's specialty chemicals requirements. EKSB, via ICE, is also venturing into design and engineering solutions related to its odorant distribution business, and has won its maiden design and engineering contract to develop and install a Liquefied Natural Gas Odorant Injection Package in Victoria, Australia. ICE plans to bid for more jobs of a similar nature to diversify beyond odorant distribution and supply. We retain an openness to operational or geographical diversification and will continue to evaluate various opportunities that are synergistic with or expansionary to our existing businesses.

#### PROPERTY DEVELOPMENT DIVISION

Since Shamelin Star's completion in December 2016 and despite the project's successful sales record, the Group has been cautious about pursuing the next property development project in Malaysia due to the soft domestic real estate market. As such, until new projects are developed, financial contribution from this division in the short term lies primarily with the continuing sales of the remaining unsold Shamelin Star units (of which 4 were sold in FYE 2019), and the continuing sales of Portland Chambers' apartments (of which the two largest units have already been sold in the first half of the financial year of 2020).

## Management Discussion and Analysis

Premised on the foregoing, this division reported an annual revenue of RM2.9 million in FYE 2019 compared to RM16.8 million in FYE 2018, and a loss before tax (“LBT”) of RM8.6 million due to the RM9.3 million write down in Portland Chambers. Excluding the Exceptional Items, PBT would be RM0.7 million compared to a PBT of RM2.6 million in FYE 2018.

As at 30 June 2019, we have a balance of 10 residential units in Shamelin Star with a net realisable value of approximately RM7.0million. Most of the units will be fitted out to improve the marketability of the units in the current challenging property landscape. Portland Chambers was completed recently in February 2019 and has already sold its two largest units in the financial year of 2020. Interest in the other two smaller units remains strong and we anticipate sales to contribute significantly to this division’s the financial year of 2020 revenue.

### Property Development Division’s Financial Performance



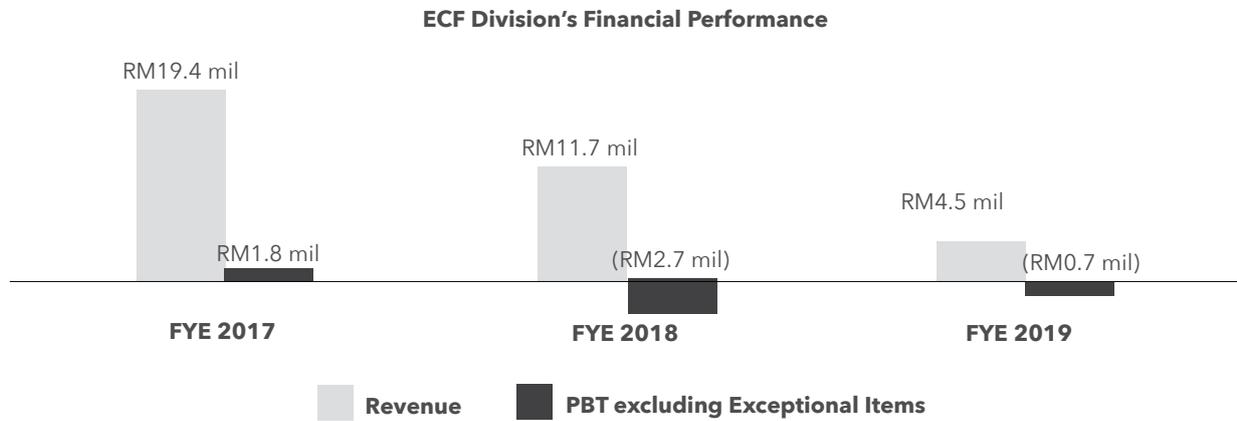
Property development will remain one of ENRA’s two key businesses. Fundamentally, we are of the view that demand for properties in the Klang Valley at the right market prices, though further away from the Kuala Lumpur city centre, remain stable and that the recent reduction in the overnight policy rate will have a positive effect on the market’s activity. Premised on the foregoing, ENRA Land Sdn Bhd (“ELSB”), our wholly-owned subsidiary had entered into a shareholders’ agreement on 31 May 2019 to acquire a 51.0% stake in Q Homes Sdn Bhd with IBGH Capital Sdn Bhd holding the remaining 49.0% stake. Q Homes Sdn Bhd’s objectives are to develop quality homes in new growth areas in the Klang Valley that the majority of the market can realistically afford under the current economic environment.

In United Kingdom, property is still a liquid and attractive asset class, but we are also exploring developments with unique selling characteristics in niche but growing markets to manage risks pertaining to the general residential open market. As such, on 27 March 2019, ELSB entered into a shareholders’ agreement to acquire a 51.0% stake in Abode Senior Living Ltd, which in turn acquired a 1.8 acres land in the Rugby city centre for the development of a retirement homes living estate. The estimated gross development value of the project is approximately GBP30.0 million.

### ENGINEERING, CONSTRUCTION & FABRICATION (“ECF”) DIVISION

This division’s FYE 2019 revenue is RM4.5 million, down from RM11.7 million. Most of this division’s activities revolved around design and engineering services for the oil & gas industry. This division reported a LBT of RM15.9 million in FYE 2019 (FYE 2018: RM2.7 million) after taking into account the impairment loss on the remaining outstanding amount that EEFAB is claiming from Gemula Sdn Bhd. Excluding the impairment that is an Exceptional Item, this division would have reported a LBT of RM0.7million.

## Management Discussion and Analysis



Moving forward, the ECF Division will be amalgamated into the Energy Services Division as all current business activities of the ECF Division support the oil & gas industry.

### **CONCLUSION**

In the past years, we have focused on restructuring and solidifying the Group's operations and financial position, including divesting legacy non-growth assets and redeploying capital into businesses with growth potential. FYE 2019 reflects the success of such efforts, though the Board has agreed to a conservative approach to certain Exceptional Items. We are excited to embark into the financial year of 2020 with a growing platform of active investments comprising of a balance of recurring income businesses and opportunistic projects.

Though the Group has issued dividends of varying quantum annually since FYE 2016, investment in ENRA's growth is always at the forefront of the Board's consideration, and the Board will continuously assess the Group's operational needs and investment opportunities as it considers future dividend payouts.

# Corporate Governance Overview Statement

**The Board of Directors of ENRA Group Berhad (“ENRA” or “Company”) is committed to ensuring that high standards of corporate governance (“CG”) principles and practices are applied throughout the Company and its subsidiaries (“Group”) as a fundamental part of discharging its responsibilities to safeguard shareholders’ investments and protect the interests of all stakeholders.**

This Corporate Governance Overview Statement is prepared in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance (“MCCG”). This statement is supplemented with the Corporate Governance Report (“CG Report”) which provides details on how the Company has applied each Practice as prescribed in the MCCG during the financial year ended 31 March 2019. The CG Report is available on the Company’s website at [www.enra.my](http://www.enra.my).

This Corporate Governance Overview Statement should also be read in conjunction with the other statements in the Annual Report, namely, the Statement on Risk Management and Internal Control, the Audit and Risk Management Committee Report and the Sustainability Report as the depth of certain CG practices may be better explained in the context of the respective statements.

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

The Board has the overall responsibility for the corporate governance, strategic leadership and direction, the conduct of the Group’s businesses, risk management and internal controls, investor relations, management succession plan and business operations of the Group.

Beyond the matters reserved for the Board’s decision, the Board has delegated the authority to achieve the corporate objectives and day-to-day management of the business of the Group to the Executive Committee comprising the Executive Deputy Chairman, the President & Group Chief Executive Officer and the Executive Director. There is a formalised Limits of Authority which defines the applicable limits specifically reserved for the Board’s approval and those delegated to the Executive Committee, the President & Group Chief Executive Officer, the Executive Directors and Management. The Executive Directors remain accountable to the Board for the authority that is delegated to them for the performance of the Group.

The Board places great importance on sustainability and had taken the necessary steps to ensure high standards of governance across the Group’s operations. This includes formalising guidelines, frameworks and processes relating to, amongst others, ENRA’s capital allocation management and investment appraisal practices in managing future risks and opportunities as the Group continues to build a responsible and sustainable business. Further information on ENRA’s sustainability agenda and initiatives for the year under review are disclosed in the Sustainability Report section of this Annual Report.

While the Board is responsible for creating framework and policies within which the Group should be operating, the Management is accountable for the execution of the expressed policies and attainment of the Company’s corporate objectives. This demarcation complements and reinforces the supervisory role of the Board.

# Corporate Governance Overview Statement

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### I. Board Responsibilities (cont'd)

The roles of the Chairman and the President & Group Chief Executive Officer are distinct and separate to engender accountability to facilitate clear division of responsibilities. The Chairman is responsible for ensuring Board effectiveness and standards of conduct while the President & Group Chief Executive Officer is responsible for the overall management of the Group, including smooth running of the businesses and implementation of strategies and policies.

In carrying out its function, the Board has delegated specific responsibilities to Board Committees, namely, the Audit and Risk Management Committee and the Board Nomination and Remuneration Committee ("BNRC"). In order to ensure that the direction and control of the Group remains with the Board, the Board has defined the terms of reference for each Committee and receives reports from the Board Committees of their proceedings and deliberations together with their recommendations and relevant decisions. The Chairman of the respective Board Committees will report to the Board on the outcome of these meetings. These Board Committees were formed in order to enhance business and operational efficiency and efficacy but the Board remains fully responsible for the direction and control of the Company and the Group. The ultimate responsibility for the final decision on all matters, lies with the Board. The terms of reference for the Audit and Risk Management Committee and the BNRC can be found on the Company's website ([www.enra.my](http://www.enra.my)).

The Board has adopted a Board Charter, which sets out its roles, functions, composition, operation and process giving consideration to the principles of good corporate governance and requirements of the MMLR of Bursa Securities. The Board has also adopted a Directors' Code of Ethics, which outlines the conduct required of the Board members individually in order for them to discharge their duties in a professional, honest and ethical manner. The Company has a Code of Business Conduct which is applicable to employees within the Group and it governs the desired standards of behavior and ethical conduct expected from each individual to whom the Code applies. The Board has also put in place a Whistleblowing Policy, which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group. The details of the Board Charter, Directors' Code of Ethics, Code of Business Conduct and Whistleblowing Policy can be found on the Company's website ([www.enra.my](http://www.enra.my)).

The Directors have unrestricted access to all information pertaining to the Group's business and affairs to enable them to carry out their duties effectively and diligently. The Board also has unrestricted access to the service of the Company Secretary who is qualified to act under Section 235(2) of the Companies Act 2016. The Company Secretary provides advisory services to the Board in relation to corporate governance matters and compliance with the relevant policies and procedures.

### II. Board Composition

The strength of the Board lies in the composition of its members, who have a wide range of expertise, extensive experience and diverse backgrounds. As at the date of this Statement, the Board consists of eight members comprising five Independent Non-Executive Directors and three Executive Directors (including the President and Group Chief Executive Officer) which meets the requirement of Practice 4.1 of the MCCG where at least half of the Board comprises Independent Directors.

The Directors, with their different backgrounds and specialisations, collectively bring with them not only the industry knowledge but also a wide range of experience and expertise in areas such as finance, engineering, strategic planning, economics and project management. There is no individual Director or group of Directors who dominates the Board's decision-making. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Independent Non-Executive Directors apply objective and independent judgement to the decision-making process of the Board and provide the check and balance.

# Corporate Governance Overview Statement

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

### II. Board Composition (cont'd)

Accordingly, and taking into account of the experience, qualifications, capabilities and knowledge of the Company's Independent Non-Executive Directors, the Board is satisfied that the current Board composition fairly reflects the interests of the Company's minority shareholders and is adequate to ensure that the highest standards of corporate governance, ethical conduct and integrity are maintained by the Company for the benefit of all stakeholders.

In this regard, the Board through the BNRC, will review the size and composition of the Board and its Board Committees annually to determine if the Board and the Board Committees have the right size and sufficient diversity that fit the Company's objectives and strategic goals. During the financial year under review, the Board had, upon the recommendation by the BNRC, approved the redesignation of Mr Loh Chen Yook as Independent Non-Executive Director of the Company with effect from 29 November 2018. After having conducted an assessment, the BNRC was satisfied that Mr Loh not only fulfilled the criteria of an Independent Director pursuant to the MMLR, he has demonstrated ability to bring independent judgement to Board deliberations along with values such as impartiality, objectivity and consideration for all stakeholders' interest.

### III. Remuneration

The BNRC is responsible for recommending to the Board the appropriate remuneration of the Directors to ensure that the Group attracts and retains Directors of the necessary calibre, experience, knowledge and quality needed to manage the Group successfully. The BNRC considers the principles recommended by the MCCG in determining the Executive Directors' remuneration, whereby the Executive Directors' remuneration is designed to link rewards to the Group's performance.

The remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. The determination of the remuneration of the Non-Executive Directors is a matter for the Board to consider and individual Directors do not participate in decisions regarding their own remuneration package. The Company reimburses reasonable expenses incurred by the Non-Executive Directors in the course of their duties as Directors. The Board adopts a remuneration policy for the Non-Executive Directors to provide clear and guiding principles for determining the remuneration of the Board and is reviewed by the BNRC annually.

Details of the remuneration of the Directors of the Company for the financial year ended 31 March 2019 are provided in the CG Report.

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee ("ARMC") to provide robust and comprehensive oversight on the financial reporting matters as well as the external and internal audit processes. The ARMC comprises four members, all of whom are Independent Non-Executive Directors. The Chairman of the ARMC is the Senior Independent Non-Executive Director who is not the Chairman of the Board.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the ARMC, in assessing the suitability and independence of the external auditors. Such procedures entail the provision of written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. The ARMC has met with the external auditors without the presence of the Executive Directors and Management twice during the financial year ended 31 March 2019.

# Corporate Governance Overview Statement

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

### I. Audit and Risk Management Committee (cont'd)

The ARMC is satisfied in its review that the provision of non-audit services by Messrs. BDO PLT to the Group for the financial year ended 31 March 2019 did not in any way impair their objectivity and independence as external auditors of the Company.

On an annual basis, the ARMC would review and monitor the suitability and independence of the external auditors. The ARMC is satisfied with the competence and independence of the External Auditors and had recommended the re-appointment of Messrs BDO PLT as external auditors for shareholders' approval at the 27th Annual General Meeting.

### II. Risk Management and Internal Control Framework

The Board is ultimately responsible for the establishment of a sound framework to manage risks. The President & Group Chief Executive Officer oversees these risk management processes and activities and reports to the Board. The Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control.

The Board acknowledges its responsibility for the Group's systems of internal control and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

The Statement on Risk Management and Internal Control as set out on pages 48 to 53 in this Annual Report provides an overview of the management of risks and state of internal controls within the Group.

The Company has in its employment, an Internal Auditor who reports directly to the Chairman of the ARMC. The Internal Audit function reviews the controls and processes of the organisation in accordance with the approved audit plan which adopts a risk-based approach towards planning and audit execution. The scope of work covered by the internal audit function during the financial year is set out on pages 46 to 47 of this Annual Report.

## PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Communication with Stakeholders

The Board recognises the importance of effective and timely communication with shareholders and the investors to ensure they make informed decisions. The Company keeps shareholders abreast of the financial performance and the future developments of the Group by way of the annual report, announcements of quarterly financial results and significant transactions made through Bursa Securities as well as press releases. The Company, through its internal Investor Relations Department and active participation of its Management team, maintains regular two-way communication with the investment community, media and its financiers to keep them updated with the latest developments.

ENRA's website is regularly updated to provide information relevant to shareholders and other stakeholders. The website also has an email alerts service where shareholders and anyone who are interested may register to receive the latest news and announcements on the Group.

## Corporate Governance Overview Statement

### **PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)**

#### **II. Conduct of General Meetings**

The Annual General Meeting ("AGM") of the Company serves as the primary platform for two-way dialogue with shareholders. At the 26th AGM of the Company held on 13 September 2018, all Directors of the Company were present at the meeting to engage with shareholders. The Company supports the principle of encouraging shareholders participation and ample time were allowed during the AGM for questions to be raised to the Board. Members of the Senior Management and the auditors were also present at the AGM to respond to questions from the shareholders and proxies. Further, in line with Practice 12.1 of the MCCG, the notice convening the 26th AGM was issued at least 28 days before the AGM date.

The Executive Directors will normally meet the press after each AGM and/or General Meeting of the Company to provide the media an opportunity to receive an update on the proceedings at the meeting and to address any queries or areas of interest.

#### **KEY FOCUS AREAS AND FUTURE PROSPECTS**

The Board is committed to cultivating a responsible organisation and will regularly review and refine the Group's CG practices to maintain a sensible and solid framework for effective governance in the interest of the shareholders and stakeholders.

This CG Overview Statement was approved by the Board of Directors of ENRA on 25 June 2019.

# Sustainability Report

Our Vision Statement

**“Through shared values, innovation and technology, ENRA will enable its people to create sustainable enterprise value in a manner that is responsible to its stakeholders, community and environment.”**

## A. An Integral Aspect

Sustainability is embedded in our vision statement and is an integral aspect in conducting our business.

We strongly believe that to sustain growth, we must contribute to the betterment of our people, the community around us and the society as a whole.

## B. Our Methodology

This Sustainability Report (“Report”) will outline how, through engagement with our stakeholders, we have identified and addressed material economic, environmental and social sustainability matters.

We will also illustrate how we have implemented and embedded our sustainability practices throughout our group of companies (“Group”).

This Report is prepared pursuant to and in accordance with the requirements in Bursa Malaysia Securities Berhad’s (“Bursa”) Main Market Listing Requirements relating to Sustainability Reporting in Annual Reports and Bursa’s Sustainability Reporting Guide and Sustainability Toolkits.

## C. Our Coverage

This Report covers our reporting period of 1 April 2018 to 31 March 2019 for our operations in Malaysia, Myanmar and the United Kingdom within the oil and gas industry (specifically our oil and gas upstream and downstream services division and our engineering and fabrication division), and property development industry based on their revenue contribution and environmental, economic and social impact to the Group.

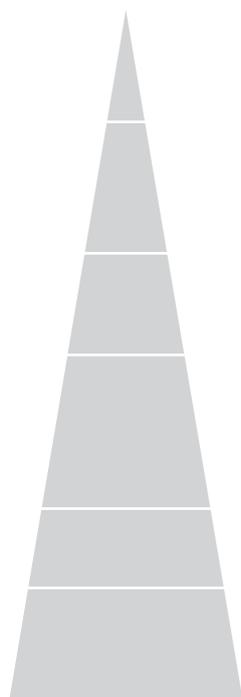
## D. Our Governance Structure

Our Board of Directors (“Board”) had in November 2017 approved our sustainability governance structure and the establishment of a Sustainability Working Group (“SWG”) to coordinate and supervise the implementation of our sustainability strategies and practices.

# Sustainability Report

**Illustration 1** shows our sustainability governance structure:

Illustration 1



**Board of Directors**

Accountable for reviewing, adopting and monitoring the implementation of our overall sustainability strategies, by taking into account the economic, environmental and social impacts (“sustainability matters”) arising from business operations and strategic decisions

**Audit and Risk Management Committee**

Oversees the delegation of duties of the Board in relation to implementation of overall strategic plan, with a focus on managing sustainability matters and ensuring that principal risks are identified with adequate mitigating action plans in place

**Executive Committee**

Reviews and approves sustainability best practices in relation to managing sustainability matters, risks identified and adequate mitigating action plans

**Sustainability Working Group**

Supported by Heads of Departments and Heads of Business Units, the SWG is responsible for formulating sustainability strategies, coordinating and supervising the implementation of the Group’s sustainability objectives as well as to lead the Group’s sustainability reporting process to ensure compliance with regulatory requirements

**Heads of Departments and Heads of Business Units**

Oversees and implements the Group’s sustainability best practices, strategies and objectives

**Process Owners in Departments/Business Units**

Collects sustainability related data on sustainability matters and reports on such data to Heads of Departments and Heads of Business Units to assist the Group’s sustainability reporting process to ensure compliance with regulatory requirements

**Illustration 2** shows the composition of our SWG led by our Chief Financial Officer.

Illustration 2



Our SWG is responsible for the following:

- 1) identifying key stakeholders;
- 2) engaging with identified stakeholders in order to identify and prioritise material sustainability matters;
- 3) identifying sustainability risks and opportunities relevant and material to our Group’s businesses;
- 4) identifying and formulating sustainability strategies;
- 5) overseeing the management of such material sustainability matters including coordinating the implementation of agreed sustainability strategies;
- 6) identifying relevant sustainability indicators associated with material sustainability matters for continuous monitoring and disclosure in our Report; and
- 7) providing status updates to our Group’s Executive Committee (“EXCO”) on the management of sustainability-related matters and subsequently recommend the disclosure on sustainability for approval.

# Sustainability Report

## E. Our Engagement with Stakeholders

A sustainable business is one that is conducted in a meritocratic, transparent and accessible manner with an emphasis on accountability and good governance.

Our SWG had assessed, identified and prioritised our stakeholders based on our current dependence on them and their influence on our Group’s businesses. At this point in our Group’s growth path, our SWG had identified our people of all levels, our substantial shareholders, a major lender, a major principal/supplier and a major customer as our key stakeholders.

Surveys and robust interaction with our key stakeholders provided them a platform to freely and openly voice their views, opinions and concerns on sustainability issues. These engagements are expected to be carried out annually with our key stakeholders.

**Illustration 3** sets out the main concerns raised by our key internal stakeholders:

Illustration 3

Key Stakeholders	Main Concerns Raised for FYE 31 March 2019	Responses
1) Employees (including Senior Management (“SM”) and our EXCO)	1) Remuneration and benefits	<p>1) Remuneration bands and salary scales are reviewed frequently guided by various analyst reports from recruitment specialists.</p> <p>This review process helps us attract new talent and retain our people.</p>
2) Major shareholders		<p>We aim to maintain at least a median range of remuneration and benefits for our people.</p> <p>Benefits are also reviewed annually.</p> <p>Understanding the importance of the wellbeing of our people, we consult our brokers annually to ensure the adequacy of our employees’ insurance coverage. Extending the insurance coverage to our people’s immediate family members gives them a sense of peace and contributes positively to general productivity.</p> <p>To alleviate rising living costs, we subsidise parking costs for ALL levels of our full-time permanent employees. Mileage allowances are also reviewed at intervals in our bid to ease the burden to our people caused by fluctuating fuel prices.</p> <p>In appreciation of our people’s dedication and magnanimity with their time by frequently working remotely after hours, we extend phone allowances to ALL levels of our full-time permanent employees.</p> <p>To reward loyalty, our contribution to our people’s Employees Provident Fund increases with every 5-years served.</p>

## Sustainability Report

## E. Our Engagement with Stakeholders (cont'd)

Key Stakeholders	Main Concerns Raised for FYE 31 March 2019	Responses
	2) Staff training	<p>2) We undertake an annual review of our people's training needs.</p> <p>While we provide training by external experts, we see great value in capitalising on our in-house talents. The benefits are manifold. Knowledge is spread to others while confidence levels and public speaking skills are improved. Our service providers with whom we have strong working relationships have in providing training to our people also been an invaluable source of knowledge.</p>
	3) Succession planning	<p>3) Successors to each of our Group's key management personnel have been identified and are being moulded to reach their full potential and intended career path.</p>
	4) Compliance with internal policies and procedures	<p>4) In-house trainings in the form of face-to-face sessions and e-learning are conducted regularly to both explain and refresh understanding of our policies and procedures.</p>
	5) Improve operational efficiency	<p>5) Our subsidiaries, ENRA Kimia Sdn Bhd, ENRA Oil &amp; Gas Services Sdn Bhd and ENRA Engineering &amp; Fabrication Sdn Bhd are ISO 9001:2015 certified.</p> <p>Additionally, standard operating procedures ("SOPs") have been put in place to address other various operational and day to day matters to optimise efficiency and effectiveness.</p> <p>These SOPs will be reviewed at intervals for further improvements.</p>
	6) Cyber security prevention	<p>6) We are protected by firewalls and anti-virus software that we regularly update.</p> <p>Passwords for all computers are programmed to be changed periodically as an additional safeguard.</p> <p>Access to certain websites and links that are known to possibly expose visitors to cyber-attacks are identified by our IT team based on recommended or best practices and blocked.</p> <p>Our IT team subscribes to well-regarded publications to keep updated with the latest cyber threats.</p> <p>They conduct induction for new joiners followed by regular training and support with an emphasis on cyber threats, cyber security and recommended precautions.</p> <p>A dedicated IT helpdesk has been set up to address IT-related queries or concerns on a timely basis.</p>

# Sustainability Report

## E. Our Engagement with Stakeholders (cont'd)

Below are matters of most importance to our key external stakeholders:

### 1) Substantial Institutional Shareholders

- Ethics, governance and compliance;
- Responsible sourcing and procurement;
- Utilisation of renewable energy at operation sites and reduction of greenhouse gas emissions through low carbon development;
- Waste management;
- Land use and biodiversity impacts
- Employee health, safety and well-being;
- Employment practices;
- Community impacts of properties and development (social license of operation and land use rights).

### 2) Major Lender

- Ethics, governance and compliance;
- Employee health, safety and well-being.

### 3) Major Principal/Supplier

- Ethics, governance and compliance;
- Responsible sourcing and procurement;
- Employee health, safety and well-being;
- Employment practices;
- Human capital development;
- Community impacts of properties and development (social license of operation and land use rights).

### 4) Major Customer

- Ethics, governance and compliance;
- Responsible sourcing and procurement;
- Utilisation of renewable energy at operation sites and reduction of greenhouse gas emissions through low carbon development;
- Waste management;
- Land use and biodiversity impacts;
- Employee health, safety and well-being;
- Community impacts of properties and development (social license of operation and land use rights).

Some of these matters have been addressed in Sections F and G below. For the other matters not addressed, we will do so moving forward.

## F. Our Material Sustainable Matters

Sustainability matters relevant to our Group and relating to economic, environmental and social issues were identified after our determination and analysis of:

- 1) the nature of our businesses both current and planned;
- 2) peer reviews;
- 3) internal documents;
- 4) our risk register; and
- 5) indicators in the Bursa Securities Sustainability Reporting Guide and the Global Reporting Initiative Sustainability Reporting Standards.

# Sustainability Report

## F. Our Material Sustainable Matters (cont'd)

Prioritising sustainability matters shown in **Illustration 4** for FYE 31 March 2018 and **Illustration 5** for FYE 31 March 2019 is carried out based on our key internal stakeholders' feedback.

Illustration 4

FYE 31 March 2018

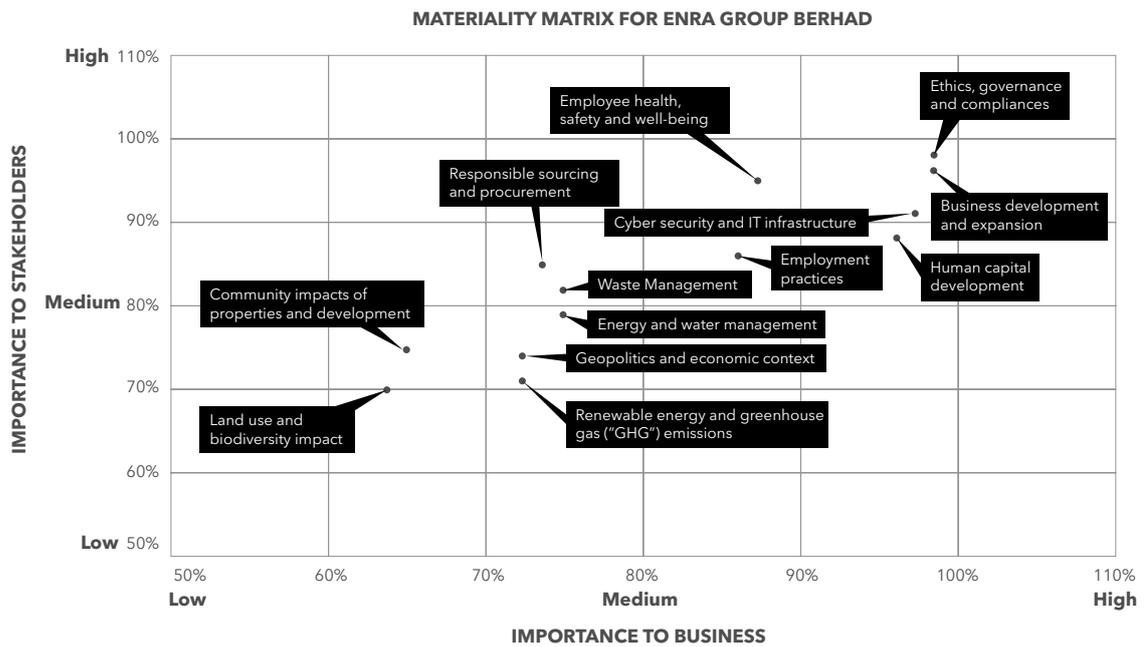
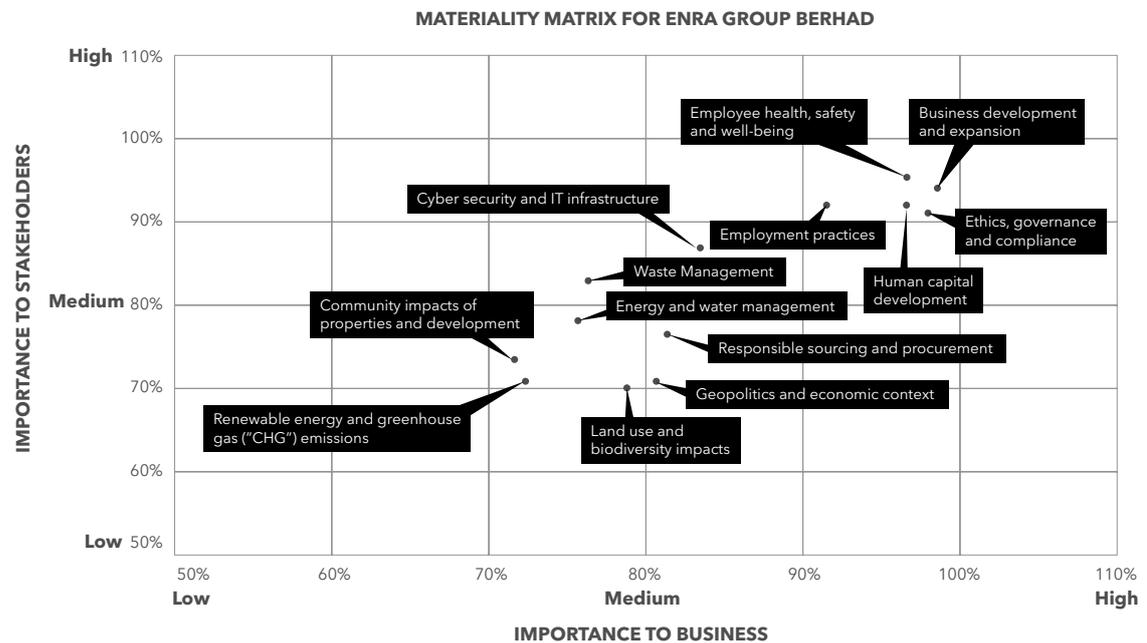


Illustration 5

FYE 31 March 2019



# Sustainability Report

## F. Our Material Sustainable Matters (cont'd)

On the recommendation of our SWG, our Board agreed that focus be given to the following 7 material sustainability matters identified during the financial year (ranked below in order of importance) in **Illustration 6**.

Illustration 6

Ranking	Material Sustainability Matters	Legend:
1)	Business Development and expansion	□ Economic theme
2)	Employee health, safety and well-being	■ Social theme
3)	Ethics, Governance and Compliance	■ Environmental theme
4)	Employment practices	
5)	Human capital development	
6)	Cyber security and IT infrastructure	
7)	Waste Management	

These 7 top material sustainability matters are further categorised into the following themes:

Economic	Social	Environment
Ensuring sustainable business growth	Empowering our people	Enhancing resource efficiency

Our management of these key sustainability drivers is explained in the subsequent sections of this Report.

## G. How we Manage our Material Sustainability Matters

- 1) Ensuring Sustainable Business Growth (Economic)
  - a) Business development and expansion

In addition to ensuring the growth and expansion of our existing principal activities in property development and in the oil and gas services sector, we continue to explore businesses in other industries or sectors to hedge against the usual challenges in our current businesses such as the cyclical nature of the property and oil and gas industries and having to sustain the Group whilst building a deeper and stronger track record in our core businesses taking into account the reinvestment needs in the Group's current businesses against available resources.

The general criteria for such diversification include the ability for new businesses to be self-sustaining in the long run with relatively good growth potential.

We do consider both mergers and acquisitions as well as organic growth for both our business expansion and diversification efforts. Of the many investment opportunities introduced to us, **Illustration 7** sets out the number of such opportunities that were considered and reviewed by the Group both within and outside our principal activities:

Illustration 7

Period	FYE 31 March 2016	FYE 31 March 2017	FYE 31 March 2018	FYE 31 March 2019
Number of investment opportunities identified	5	12	23	30
Within our principal activities	4	7	10	17
Outside of our principal activities	1	5	13	13

# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

- 1) Ensuring Sustainable Business Growth (Economic) (cont'd)
  - a) Business development and expansion (cont'd)

We spend an average of 2 months to evaluate and pursue such deals. The management team focuses on ensuring that our interests are protected and that risks are managed. Our evaluation process includes a fairly high-level due diligence exercise undertaken by our Group Legal, Group Strategy and Group Finance Departments.

In FYE 31 March 2019, we introduced a formal and structured investment evaluation process for both merger and acquisition opportunities and new business development initiatives. This evaluation process identifies parameters that each opportunity should meet, and sets out guidelines to evaluate the nature, risks, mitigating factors and risk return trade-off for these opportunities. This evaluation process also provides a more efficient approach to identifying which opportunities should be pursued and which to reject.

Each opportunity that is tabled for the evaluation of the EXCO must go through this evaluation process before being considered by the EXCO.

We had successfully concluded the following deals shown in **Illustration 8** in FYE 31 March 2019:

*Illustration 8*

Industry	Transaction	Business Activities
Chemical trading for the oil and gas industry (existing business)	Expansion of current activities	Acquired the entire equity stake in a chemical trading company based in Australia.
Land acquisition (business expansion)	Established a subsidiary	Acquired land in Rugby, United Kingdom to develop senior living retirement homes with shared facilities.
Energy (energy saving lighting) (business diversification)	Established a jointly controlled company	Business of supplying and installing energy saving lighting products.

Since 2015 and despite the fall in and volatility of oil prices changing the landscape of the oil and gas industry tremendously, our core focus remains to build and nurture our capabilities in niche sub-segments of the oil and gas industry to provide optimum solutions in a cost sensitive operating environment. As a result, we have expanded oil and gas operations to countries like Myanmar and Australia.

Property development also remains one of the Group's key businesses. We are open to both domestic and overseas opportunities. In general, we believe the industry will continue to remain subdued in the United Kingdom due to pre- and post-Brexit uncertainties.

The management is always on the lookout for new opportunities in other industries to create more value to all its stakeholders.

# Sustainability Report

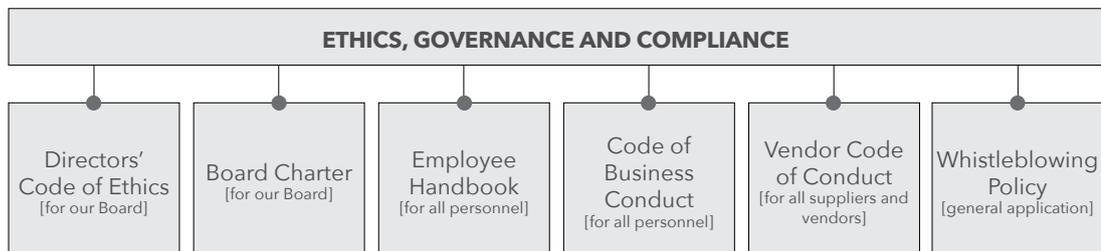
## G. How we Manage our Material Sustainability Matters (cont'd)

- 1) Ensuring Sustainable Business Growth (Economic) (cont'd)
  - b) Ethics, governance and compliance

Issues of ethics, governance and compliance regularly arise in business transactions and we are firmly committed to conduct our businesses with the highest level of integrity and in full compliance with applicable laws, rules and regulations.

The following guidance in **Illustration 9** was implemented to ensure that we meet this objective:

*Illustration 9*



An annual compliance review of our vendors is carried out to ensure that fair competition is upheld at all times when dealing with third parties and that we conduct our businesses ethically in line with our corporate values of **E**thical, **N**oble, **R**eliable and **A**ccountable.

Various internal policies and procedures have been implemented to eradicate or minimise exposure to risks faced in our businesses. Certification of some of our operating subsidiaries under the ISO 9001 standards also demonstrates their abilities to provide products and services that comply and conform with both their customers' and regulatory requirements.

Our Code of Business Conduct sets out standards of conduct to govern our behaviour towards our employees, suppliers and customers and sets out the method of reporting unethical conduct. Our half yearly compliance review of the said Code entails our Group Internal Auditor sending and receiving questionnaires to all employees in confidence. This questionnaire provides a means by which we can document awareness of the said Code and check compliance with the said Code and our other policies including our Whistleblowing Policy.

In 2017, the function of our Group Legal Department was expanded to include Compliance. In discharging this function, Group Legal has organised various training sessions and regularly issues bulletins to all employees electronically on changes in laws, rules and regulations and updates on various actions taken by regulators, with specific focus on compliance and good corporate governance.

Our Group Legal Department also undertakes an annual compliance review with all our key Departments and subsidiaries to ensure that practices and performance of the respective functions and operations of our Group comply with all existing policies and procedures of the Group and to determine areas for improvement.

Various trainings were organised to educate our Board and employees in changes to laws, rules and regulations as well as to ensure a sound understanding of our relevant guides, policies and procedures. In FYE 31 March 2019, trainings were given to address the changes to the Malaysian Anti-Corruption Commission Act 2009, sustainability reporting requirements in accordance with Bursa's Main Market Listing Requirements relating to Sustainability Reporting in Annual Reports and Bursa's Sustainability Reporting Guide and Sustainability Toolkits and the Group's policies and procedures.

# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

- 1) Ensuring Sustainable Business Growth (Economic) (cont'd)
  - b) Ethics, governance and compliance (cont'd)

Our Group Legal Department will continue to train our people on compliance and governance and have identified various topics of interest including those on the importance of proper, good and timely record keeping, understanding bank guarantees, understanding contractual rights and obligations under an assignment of rights, understanding contracts for and of services, understanding the contractual differences of a distributor and an agent, standardising documents to ensure uniformity and consistency and on awareness of sexual harassment.

- c) Cyber security and IT infrastructure

As technology progresses, we are cognisant that cybersecurity attacks are becoming rampant and may result in the loss of valuable company information and data, disruption to business activities and financial losses. It is important to our Group to ensure that we are and remain aware, prepared and protected from such attacks.

We have our IT Policy, IT Security Policy and Procedure as well as an IT manual to guide our people on the proper use of our IT infrastructure and related assets and dealing with IT related security threats. Employees are also provided with details of the appropriate channel should they have any queries, concerns or wish to make a report on such security issues.

We adopt a practice of multiple interval-daily back up of our data. Users logged onto our network are restricted from accessing certain internet sites that are known to make us susceptible to internet scam, phishing and cyber security breaches or attacks.

Security of our network is further enhanced by segregating our employees' and visitors' access to our wireless internet. Visitors' access require registration for effective monitoring.

There have been no incidents of security breaches since 2015.

All Group servers, databases, personal computers and laptop computers are protected using suitable and up-to-date virus protection applications and are password protected. Our servers are in a secure room and access is restricted and controlled to ensure protection of our data.

Where necessary, our hardware and software are upgraded or replaced every 3 years to keep pace with current technology to prevent system malfunction, crash or incompatibility.

Our Group IT has set up an employees' portal to provide a one-stop location for employees to access company and employment information to improve efficiency and productivity.

Relevant safe-guards that have been identified and put in place to ensure access to information is given only to authorised personnel.

Our Group IT has also implemented a disaster recovery plan as a best practice effort to protect our IT infrastructure and data.

- 2) Empowering Our People (Social)

- a) Employee health, safety and well-being

The health, safety and well-being of our people being our valued capital, are of paramount importance to us. We are firmly committed to ensuring compliance with all relevant laws, rules and regulations and seek continuous improvement in occupational safety and health of our employees and those who may be affected by our business activities.

# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

### 2) Empowering Our People (Social) (cont'd)

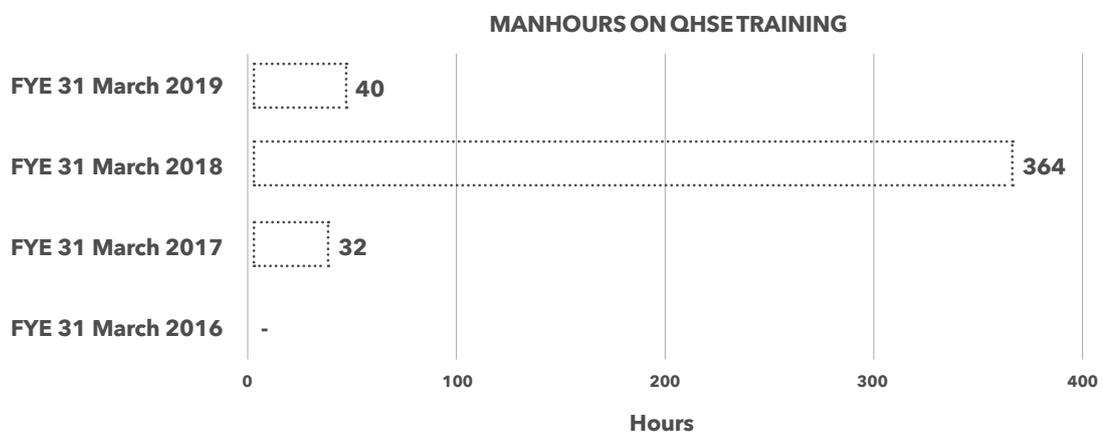
#### a) Employee health, safety and well-being (cont'd)

To meet this objective, we have a dedicated Quality, Health, Safety and Environment (“QHSE”) Department to monitor and manage all health and safety issues of the Group including compliance with applicable laws, rules and standards such as the Occupational Safety & Health Act 1994, Petroleum (Safety Measures) Act 1984, Construction Industry Development Board Act 1994 and Factory and Machinery Act 1967 as enforced by the Department of Occupational Safety and Health Malaysia (“DOSH”).

The QHSE Department has assisted our subsidiaries, ENRA Oil & Gas Services Sdn Bhd and ENRA Engineering & Fabrication Sdn Bhd to set up and implement a Health, Safety and Environment Management System, in accordance with the Occupational Health and Safety Assessment Series (OHSAS 18001:2007) and PETRONAS’ Health, Safety and Environment Management System Guidelines, for their respective operations, and works closely with the operations team of our other subsidiary, ENRA Kimia Sdn Bhd, to carry out periodic chemical health risk assessments in accordance with DOSH requirements.

Our QHSE Department has devised a series of policies and procedures to guide employees on how to identify safety issues, what to do in the event such safety issues arise and how to report a safety issue. Non-compliance of such policies is considered a major misconduct. Our QHSE Department also organises training on QHSE matters to all our employees

Illustration 10



The number of hours spent on training set out in **Illustration 10** shows an increase in the number of manhours in FYE 31 March 2019 compared with FYE 31 March 2017. FYE 31 March 2018’s numbers showed a higher number of hours due to a two-day in-house first aid training which we plan to conduct once every 2 years.

Our QHSE department also carries out quarterly inspections on safety equipment at all our offices and other premises where our businesses are undertaken to ensure such equipment are in good working condition and are easily accessible. Sufficient safety equipment is maintained to ensure compliance with the requirements of the Department of Occupational Safety and Health Malaysia.

Our QHSE Department regularly records data on office conditions such as temperature, air flow and relative humidity to ensure employees are working in a healthy and safe work environment.

There have been zero fatalities, loss time injuries and first aid cases since 2015.

## Sustainability Report

**G. How we Manage our Material Sustainability Matters (cont'd)**

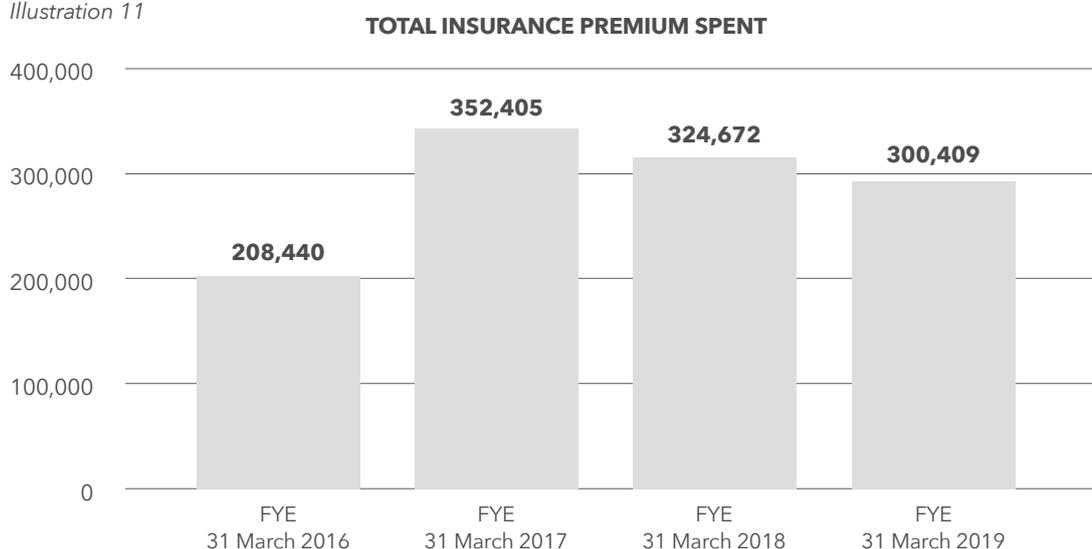
## 2) Empowering Our People (Social) (cont'd)

## a) Employee health, safety and well-being (cont'd)

For FYE 31 March 2019, there were 5 incidents of property damage that we are in the midst of permanently rectifying, completion of which is targeted by end of calendar year of 2019. There were no fatalities and personal injuries occasioned by the said property damage incidents.

As we cannot absolutely protect against all risks, we deemed it fit to put in place appropriate insurance coverage for our people as prudent protective measures, the costs for which are set out in **Illustration 11**.

Illustration 11



We saw a reduction in coverage costs for FYE 31 March 2019 due to a reduction in headcount and better terms negotiated with our panel insurance brokers.

In addition to providing a safe work environment for all employees, we also recognise the need to create a secure environment for our employees; a place where our employees can receive support and guidance.

It is important that our employees know their rights and are made aware of our zero-tolerance for harassment including sexual harassment. A sexual harassment policy has already been put in place, providing guidance to our employees on how to make a report.

Our Group Legal and Group Human Capital Development Departments had in February 2018 jointly organised a series of dialogues with our female employees to provide a forum for airing views and concerns as well as knowledge sharing on the topic of sexual harassment. The sessions were also used to empower and encourage female employees to speak up and support each other. A support group for female employees has since been set up.

We plan to hold a sexual harassment talk for all employees within FYE 31 March 2020 to promote awareness of what is and what is not appropriate behaviour in the work place. This plan has been endorsed by and given the full support by our Executive Committee.

Employee health and wellbeing leads to better productivity and performance of employees and ultimately less disruption to our daily business operations. We had in FYE 31 March 2017, FYE 31 March 2018 and FYE 31 March 2019 subsidised a series of after-work sporting activities including gym membership and boot camps for our employees.

# Sustainability Report

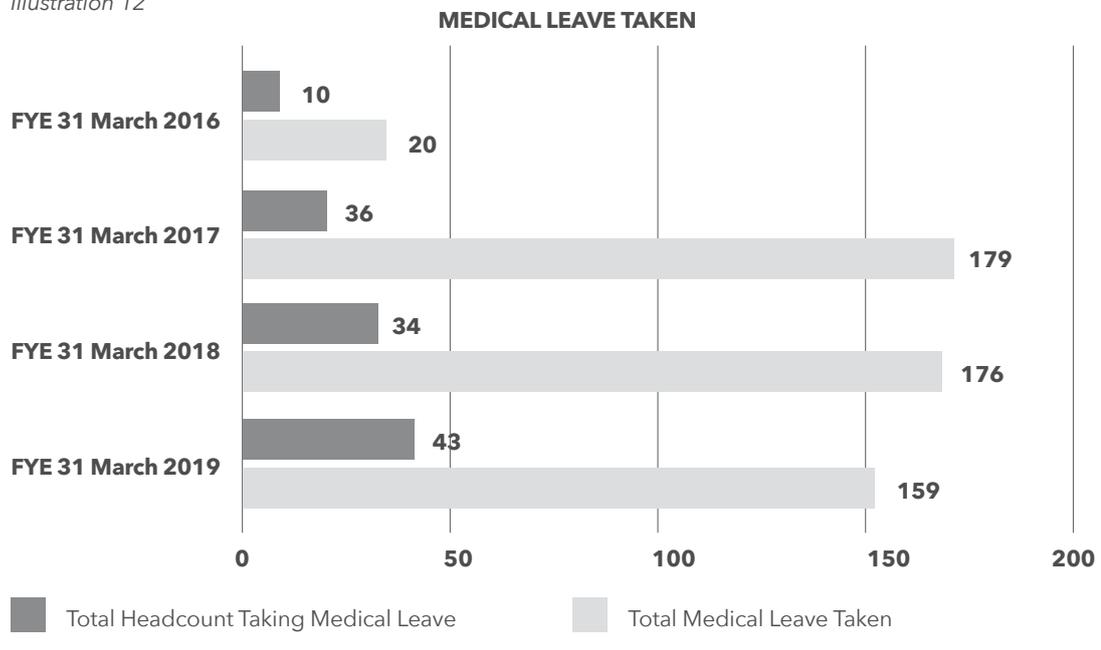
## G. How we Manage our Material Sustainability Matters (cont'd)

### 2) Empowering Our People (Social) (cont'd)

#### a) Employee health, safety and well-being (cont'd)

The Group recognises the importance of having a healthy and happy workforce and encourages employees to have a balanced work life. We believe that our collective efforts have yielded positive results as shown in **Illustration 12** depicting a reduction in the number of medical leave days taken relative to headcount which have contributed to greater productivity at work.

Illustration 12



We will continue to organise teambuilding sessions and after-work activities in our bid to encourage and support our employees in maintaining an active, healthy and balanced lifestyle.

#### b) Employment practices

While we continue to grow and diversify, we are mindful that human resources issues should not be relegated to a minor role in the grand scheme of things.

We have through our Employee Handbook (“Handbook”) and Code of Business Conduct addressed the following important human resources issues:

##### (A) Diversity in the workplace

Workplace diversity in terms of age, gender, disability, sexual orientation, class, religion, politics, ethnicity or any other characteristics protected by law, is embraced. This is also considered as part of the recruitment requirement. Employees are more likely to feel comfortable and happy in an environment where inclusivity is a priority. Having a diverse workplace, also offers a selection of different talents, skills and experiences, perspectives and ideas.

Diversity and non-discrimination are embedded in our Code of Business Conduct and Handbook.

# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

### 2) Empowering Our People (Social) (cont'd)

#### b) Employment practices (cont'd)

##### (A) Diversity in the workplace (cont'd)

Please refer to the **Illustration 13** and **Illustration 14** for a comparative view of our workplace diversity by gender and age. We will continue with this practice of diversity at all levels.

Illustration 13

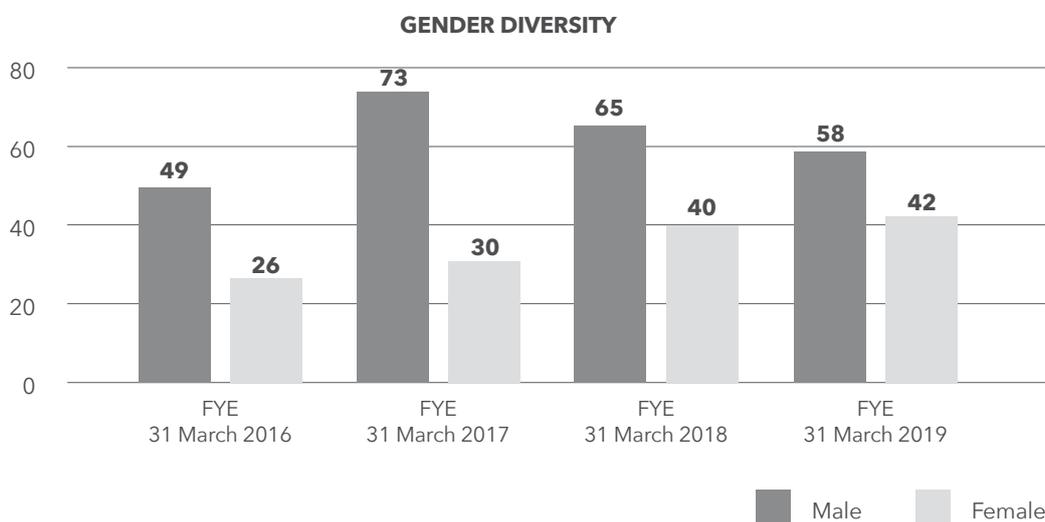
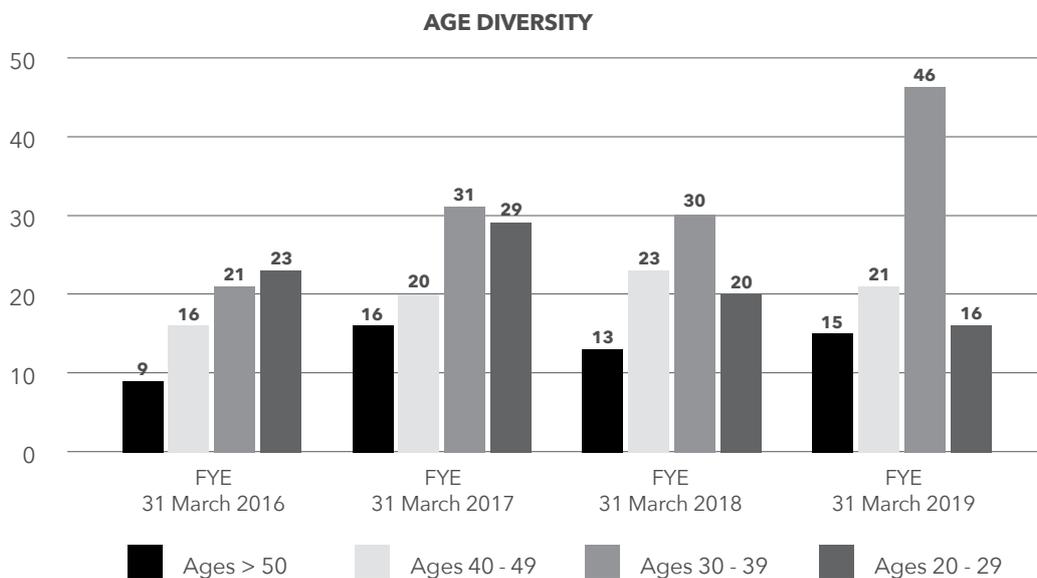


Illustration 14



# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

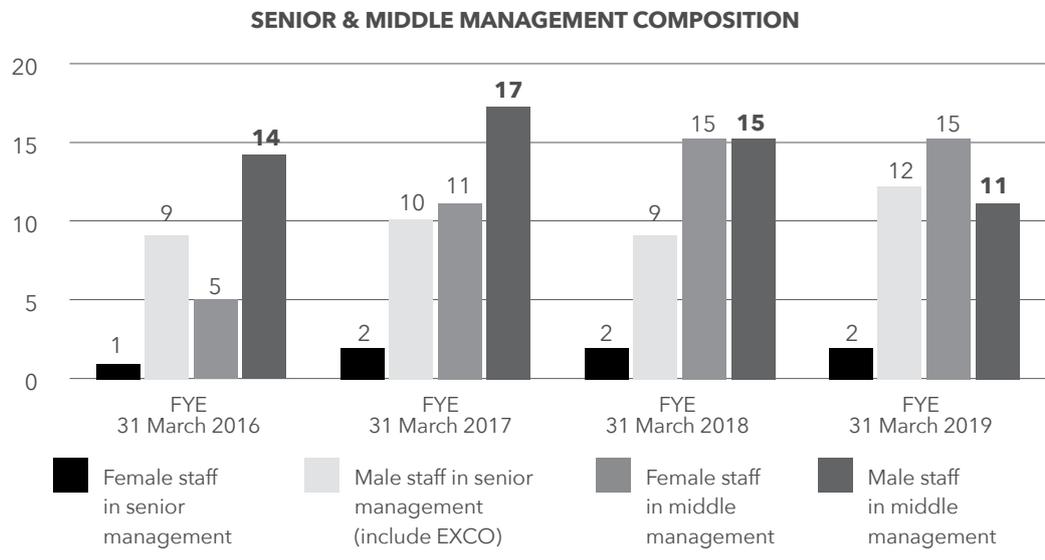
### 2) Empowering Our People (Social) (cont'd)

#### b) Employment practices (cont'd)

##### (B) Equality

The aim of gender equality in the workplace is to ensure the fair treatment of people regardless of their gender and to make sure people are given equal opportunities. Since 2015, we are happy to report an increase in female employees in our middle management as shown in **Illustration 15**.

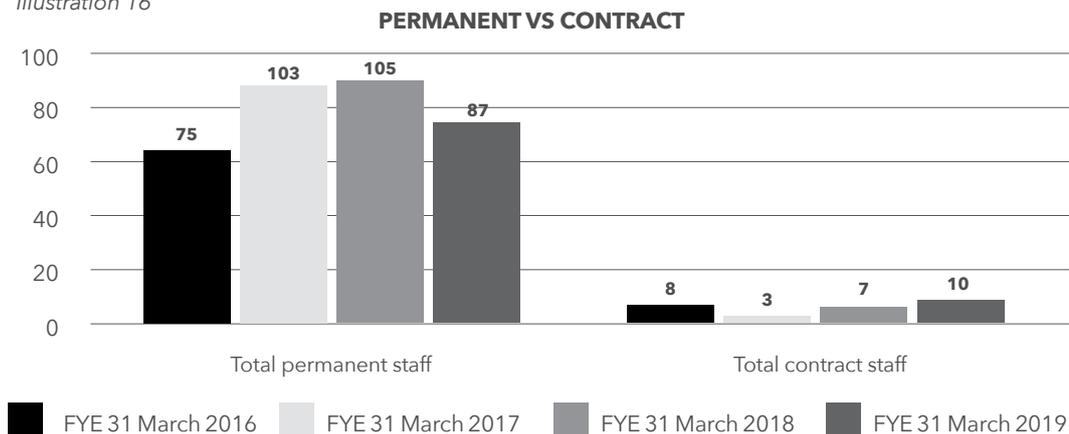
Illustration 15



##### (C) Recruitment

In line with headcount requirements of the Group which is reviewed on an annual basis and budgeted accordingly, recruitment of new staff is conducted diligently by our Human Capital Development Department while complying with relevant data protection including but not limited to the Personal Data Protection Act 2012 and anti-discrimination laws. **Illustration 16** demonstrates our appreciation of security of tenure as an important consideration to employee morale as the majority of our employees are employed on a permanent basis.

Illustration 16

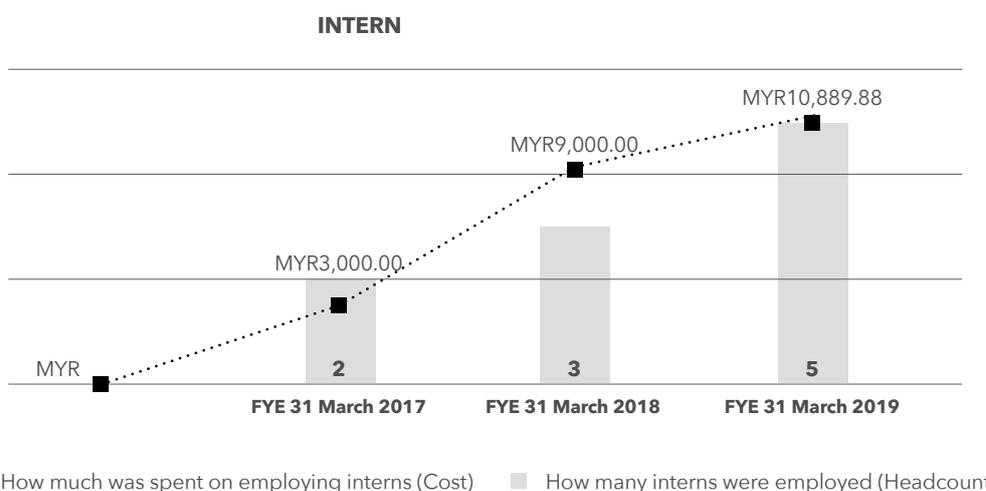


# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

- 2) Empowering Our People (Social) (cont'd)
  - b) Employment practices (cont'd)
    - (C) Recruitment (cont'd)

Illustration 17



Each Department is expected to undertake their own internship programme in the best way they deem fit. Interns include student at diploma, undergraduate and post-graduate levels. **Illustration 17** above shows the progression of our internship programme.

We plan to seek external advice from industry experts or Malaysia's national talent agencies to hone and fine-tune our internship program to ensure that this program meets its abovementioned objectives in the best possible way.

### (D) Employee benefits

In addition to taking steps to keep within market and industry norms in determining remuneration for our people, we provide our employees with medical and expenses allowances, and insurances that extend to their immediate family members for that added peace of mind.

Bonuses and increments are properly and carefully thought out with the input of our Board Nomination and Remuneration Committee based on a merit system.

For our Muslim colleagues who have served 3 consecutive years and who desire to perform their religious pilgrimage, we allow paid leave of 40 consecutive days once during their employment.

To promote personal development of our people, we also pay for the cost of 1 professional membership per employee per year.

Offering flexible working hours to our employees is demonstrative of our encouragement of a balanced work life. Employees are given the option to start and end their working hours at earlier or later times outside of the primary working hours. This gives much needed flexibility to our working parents to balance their career with their family commitments.

We will review annually the adequacy of such benefits after taking into account among others, fluctuation in commodity prices, inflation rate, consumer price indices and changes in the country's economy.

# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

### 2) Empowering Our People (Social) (cont'd)

#### b) Employment practices (cont'd)

##### (D) Employee benefits (cont'd)

The Group has in place a grievances handling platform as set out in our internal Employee Relations policy which provides employees with a platform to raise, discuss and resolve any grievances he/she may have in respect of work, working relationships and/or the working environment. Grievances include reports of unsafe acts or other QHSE issues.

#### c) Human Capital development

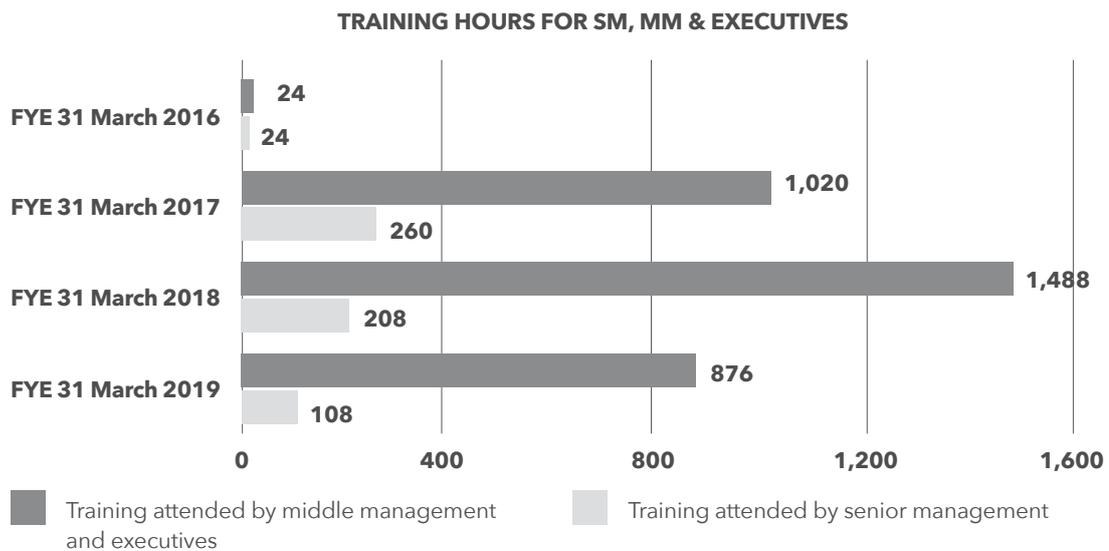
In today's competitive world, we believe that it is imperative for us to contribute to the betterment of our people in order to ensure a sustainable growth. We recognise that a successful enterprise relies on the contribution and performance of its employees in meeting both the short-term and long-term objectives of the Group.

Our Group acknowledges that investing in resources to enhance employee skills, knowledge and understanding are important in order to stay abreast with a rapidly changing environment and to retain talent.

An annual review of our employees' performance and a training needs analysis led by our Group Human Capital Department is carried out to gauge performance, identify potential talents, address improvement areas and methods and to map out career paths of our employees. This review also facilitates our identification of suitable programmes/courses/training to attend to the development needs of our people.

**Illustration 18** is evidence of the importance we place on training and development; it demonstrates that the training hours attended by middle management ("MM") has increased over the years in line with our business expansion activities and increase in employee head count.

Illustration 18



FYE 31 March 2019 showed a reduction in the training hours attended by senior management as there were no team building activities planned during the financial year as the Group's management had decided to hold team building activities once every 2 years.

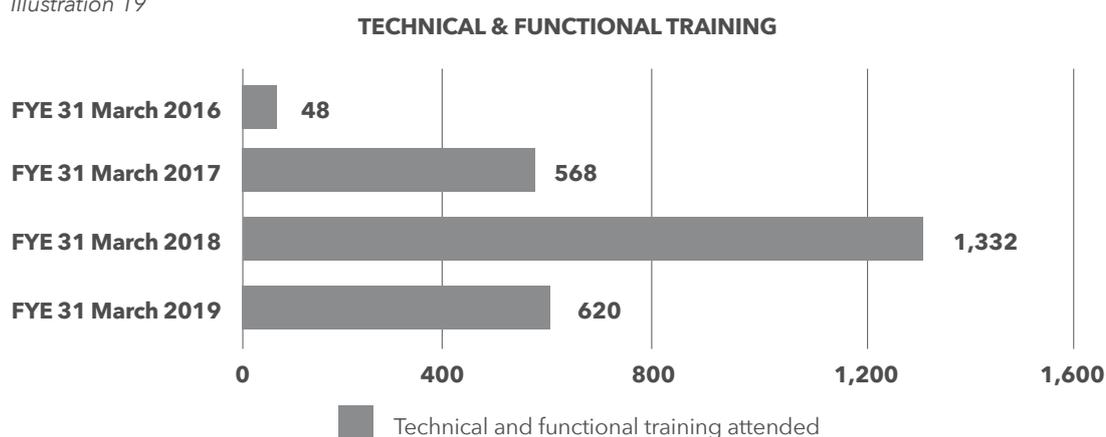
## Sustainability Report

**G. How we Manage our Material Sustainability Matters (cont'd)**

## 2) Empowering Our People (Social) (cont'd)

## c) Human Capital development (cont'd)

Illustration 19



Training is conducted by external consultants or accredited trainers and where possible, at our premises, so as to not disrupt daily business operations and to manage training costs. **Illustration 19** shows an incremental pattern in hours spent on training for our Group up until FYE 31 March 2018. FYE 31 March 2019 showed a reduction in hours on training because there were no team building activities planned during the year as the Group's management had decided to hold team building activities once every 2 years.

In addition to training by external consultants, employees are provided with opportunities to learn from the experience and expertise of their peers through in-house training. In-house training is cost effective and efficient while promoting knowledge sharing within our Group.

We also encourage our people to give feedback on the effectiveness of the training sessions and employees are at liberty to request for trainings on areas or topics that they believe to be relevant.

To further improve efficiency and effectiveness, in-house training is conducted face-to-face and electronically. Since 2017, our Company Secretary, Group IT, Group Legal and Group Finance Departments have organised a series of training for employees covering the following topics:

1. Company Secretary
  - a. Updates to Bursa's Main Market Listing Requirements;
  - b. Updates to the Malaysian Code on Corporate Governance;
  - c. Annual Directors and Senior Management conference covering topics on the National budget highlights, Cyber risk management, MFRS reporting and outlook and development of the property industry in Malaysia 2019; and
  - d. External trainings for the Group's directors.
2. Group IT
  - a. Induction training for new joiners on Group IT policies and procedures including but not limited to use of our shared folder system, email and webmail, antivirus software in place and the Group's password policy;
  - b. Refresher training to employees on items raised during the initial induction training;
  - c. ENRA's employee portal training; and
  - d. Alerts via email to all employees to keep them abreast with developments in cybersecurity and cyberthreats.

# Sustainability Report

## G. How we Manage our Material Sustainability Matters (cont'd)

### 2) Empowering Our People (Social) (cont'd)

#### c) Human Capital development (cont'd)

#### 3. Group Finance

- a. Annual National Budget briefing;
- b. Updates on All Relevant Tax Laws by the Group's Tax Consultants; and
- c. Update on Latest Changes in Accounting Standards by Group Auditors, with refreshers by Group Finance are conducted to ensure full compliance of the regulatory requirements are achieved.

#### 4. Group Legal

- a. E-training via slides presentation on topics such as changes to the Companies Act 2016 and MACC Act 2009, sustainability and non-disclosure agreements; and
- b. Issued periodic legal alerts via email to all employees to keep them abreast with changes in and application of the law. Copies of these e-training slides and legal alerts are accessible at any time by all employees for a refresher at their convenience through our shared folder system.

We plan to continue our internal training practice in the upcoming financial year and intend to offer a wider array of topics including training related to personal development and well-being in line with a more holistic development of our talents.

As part of our succession planning, training will be focused on leadership, communication, creativity and innovation, judgement, initiative and planning.

### 3) Enhancing Resource Efficiency (Environment)

#### Waste Management

Calls for environmental preservation has become increasingly vociferous in current times, in particular, the management of waste. Appropriate measures to tackle waste management are needed to ensure a sustainable future.

We are committed to complying with all laws, rules and regulations, including those of the Malaysian Department of Environment ("DOE"). **Illustration 20** shows the waste disposal and management techniques deployed in our operations.

## Sustainability Report

**G. How we Manage our Material Sustainability Matters (cont'd)**

## 3) Enhancing Resource Efficiency (Environment) (cont'd)

## Waste Management (cont'd)

*Illustration 20*

<b>Environmental Management System</b>	<ul style="list-style-type: none"> <li>• Compliance with the Environmental Quality Act 1974.</li> <li>• ENRA Oil &amp; Gas Services Sdn Bhd and ENRA Engineering &amp; Fabrication Sdn Bhd compliance with Health, Safety and Environment Management System as per the Environment Management System (ISO 14000:2004) and PETRONAS Health, Safety and Environment Management System Guidelines.</li> <li>• ENRA Kimia Sdn Bhd is expected to have this system in place in the near future.</li> </ul>
<b>Scheduled Waste and Odour</b>	<ul style="list-style-type: none"> <li>• ENRA Kimia Sdn Bhd in the speciality chemicals business has in place appropriate internal policies and procedures in compliance with DOE requirements on the management and disposal of scheduled waste.</li> <li>• Scheduled waste is disposed of periodically by regulator-approved companies for proper disposal.</li> <li>• ENRA Kimia Sdn Bhd monitors odour produced from handling thiochemicals (sulfur-based chemicals) to ensure that the odour levels do not exceed 30 parts per million ("ppm") at sampling point. ENRA Kimia Sdn Bhd's odour levels since 2015 have never exceeded 30 ppm at sampling point.</li> </ul>
<b>Reduce Recycle &amp; Reuse</b>	<ul style="list-style-type: none"> <li>• Initiatives implemented in all our offices in Malaysia to have designated bins for waste separation and disposal of batteries.</li> <li>• ENRA Engineering &amp; Fabrication Sdn Bhd (in FYE 31 March 2018), collected and recycled a total of 1 metric ton of scrap steel from a construction project it was involved in.</li> <li>• ENRA Kimia Sdn Bhd returns used printer toner cartridges to its vendor for reuse/recycling.</li> <li>• Aim to implement these and further initiatives to recycle, reuse and reduce to all member companies.</li> </ul>
<b>Waste Paper Management</b>	<ul style="list-style-type: none"> <li>• As a general practice, printing is discouraged and lap top computers as opposed to desk top computers are provided to ease reference to electronic copies of documents. Printers are default set to print double sided.</li> <li>• Fully intend to move towards a paperless office to reduce the use of paper by storing files digitally on protected servers, sharing and circulating documents, memos, reports and other publications electronically via email, encouraging employees to edit on computers before printing, printing documents double sided, reducing report sizes and reusing paper envelopes and scrap paper. Leave applications and availability of EA Forms and pay slips are on Group wide employee e-portal system. All board papers and board committee papers are made available electronically to Board by way of individual electronic tablets. Additional presentation material to the Board are projected on screen during meetings instead of circulating physical copies. Requests for IT related assets or procurement are done through online helpdesk centre.</li> <li>• Plan to expand employee e-portal system to include the submission of monthly claims electronically.</li> </ul>

# Audit and Risk Management Committee Report

**The Board of ENRA Group Berhad (“ENRA” or “Company”) is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 March 2019.**

## COMPOSITION AND MEETING

As at the date of this report, the Audit and Risk Management Committee (“ARMC”) has four members, all of whom are Independent Non-Executive Directors. The composition of the ARMC complies with Paragraph 15.09(1) of the Main Market Listing Requirements (“MMLR”).

Datuk Ali bin Abdul Kadir, who is a member of the ARMC is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a member of the Malaysian Institute of Accountants (MIA). In this regard, the Company meets the requirement of Paragraph 15.09(c) of the MMLR where at least one member of the ARMC must be a qualified accountant. The other members of the ARMC are financially literate by virtue of their wide business experience.

The ARMC held 5 meetings during the financial year ended 31 March 2019. The meetings were appropriately structured through the use of agendas which were distributed to members with sufficient notification (at least seven days prior to the meeting). The President & Group Chief Executive Officer, the Executive Directors, the Group Chief Financial Officer and the Head of Internal Audit were also invited to attend and brief the members on specific issues. The external auditors, Messrs BDO PLT attended some of these meetings upon the invitation of the ARMC.

Attendance of the members of the ARMC at meetings held during the year is as follows:

Name	Designation	Meetings Attended
Tan Sri Dato’ Seri Shamsul Azhar bin Abbas	<ul style="list-style-type: none"> <li>● Chairman</li> <li>● Senior Independent Non-Executive Director</li> </ul>	5 out of 5
Datuk Ali bin Abdul Kadir	<ul style="list-style-type: none"> <li>● Member</li> <li>● Independent Non-Executive Chairman</li> </ul>	5 out of 5
Datuk Anuar bin Ahmad	<ul style="list-style-type: none"> <li>● Member</li> <li>● Independent Non-Executive Director</li> </ul>	5 out of 5
Dato’ Wee Yiau Hin	<ul style="list-style-type: none"> <li>● Member</li> <li>● Independent Non-Executive Director</li> </ul>	5 out of 5

The Board through its Board Nomination and Remuneration Committee, assessed the performance of the ARMC and its members through the annual performance evaluation exercise during the financial year under review. The Board is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC, supporting the Board in ensuring the Group upholds appropriate corporate governance standards. The Terms of Reference of the ARMC are available on the Company’s website at [www.enra.my](http://www.enra.my).

# Audit and Risk Management Committee Report

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the key activities undertaken by the ARMC are set out below:

### Financial Reporting

- a) Reviewed the quarterly financial results of the Company and the Group and the accompanying announcements and press releases before recommending for Board's approval.
- b) Reviewed the audited financial statements of ENRA prior to submission to the Board for approval. The review was to ensure that the audited financial statements were drawn up in accordance with the MFRS and the provision of the Companies Act 2016.

### External Audit

- a) Reviewed the external auditors' scope of work and audit plans for the financial year to ensure sufficient coverage in terms of scope. Prior to the audit, representatives from the external auditors presented their audit strategy and plan. The ARMC also met with the external auditors twice in June 2018 and February 2019 without the presence of the Executive Directors and Management to discuss any matters the external auditors may wish to present.
- b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including Management's responses to the audit findings.
- c) Considered the audit fees payable to the external auditors against the size and complexity of the Group before recommending for Board's approval.
- d) Reviewed the independence, objectivity and suitability of the external auditors and services provided, including non-audit services. Details on the non-audit fees incurred for services rendered by the external auditors and its affiliates for the financial year ended 31 March 2019 are disclosed in the Additional Compliance Statement on page 54.
- e) Recommended to the Board for the re-appointment of the external auditors to be proposed for shareholders' approval at the Annual General Meeting.

### Internal Audit

- a) Approved the Internal Audit Plan for financial year ending 31 March 2020.
- b) Reviewed the adequacy of the Internal Audit Department's resource requirements, programmes and the annual assessment of the Internal Audit Department's competency, performance and staff composition. The ARMC had also met with the Head of Internal Audit without the presence of the Executive Directors and Management to ensure there were no restrictions on the scope of the Internal Auditor's audit and to discuss any matters the Head of Internal Audit may wish to present.
- c) Reviewed and deliberated the internal audit reports that highlighted audit issues, recommendations and Management's responses. Discussed with Management the actions taken to improve the systems of internal control based on suggestions identified in the internal audit reports.

# Audit and Risk Management Committee Report

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (cont'd)

### Risk Management

- a) Recommended to the Board, improvements in internal control procedures and risk management. The Chairman of the Executive Risk Management Committee ("ERMC") updated the ARMC quarterly on the risk profiles and risk management of the Group.
- b) Reviewed the effectiveness of the risk management system and the risk assessment reports from the ERMC. Significant risk issues were summarised and communicated to the Board for consolidation and resolution.

### Compliance and Others

- a) Received updates on Group IT's initiatives.
- b) Reviewed and approved the proposed Policy on Non-Audit Services by external auditors.
- c) Reviewed the related party transaction and recurrent related party transactions of revenue or trading nature entered into by the Group.
- d) Reviewed the Corporate Governance Overview Statement, Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control and the Sustainability Statement before recommending the same to the Board for approval and publication in the Annual Report.
- e) Reviewed the half-yearly report on the status of compliance of the Group's Code of Business Conduct to ensure any non-compliance is properly investigated.
- f) Received quarterly reports on whistleblowing issues to ensure actions were taken on any cases reported. No whistleblowing case was reported during the financial year under review.

## INTERNAL AUDIT FUNCTION

At present, there is an in-house Internal Audit function. The Internal Audit function operates within the framework of the International Professional Practices Framework by the Institute of Internal auditors as stated in its Internal Audit Charter, which is approved by the ARMC. The Internal Audit function provides the ARMC with independent opinions of processes, risk exposure and systems of internal control using the Committee of Sponsoring Organization of the Treadway Commission Internal Control - Integrated Framework as a guide.

The Internal Audit function assesses the Group's Internal Control system according to the following five interrelated control elements:

- Control Environment
- Risk assessment
- Control Activity
- Information & Communication
- Monitoring

# Audit and Risk Management Committee Report

## INTERNAL AUDIT FUNCTION (cont'd)

The Internal Audit team which is headed by Mr. Melvinder Singh, who is a Chartered Member of the Institute of Internal Auditors Malaysia with more than 20 years of experience in internal auditing with the assistance of a team, independently reviews the key business processes, and reports to the ARMC on a quarterly basis. The ARMC reviews and evaluates the key audit issues raised by the Internal Audit team and ensures that appropriate and prompt remedial action is taken by Management.

During the financial year ended 31 March 2019, the Internal Audit team prepared and presented an annual audit review schedule to the ARMC within the limit set by the ARMC for the financial year. This annual schedule outlines the governance, risk and controls of the key business processes of the Group's property development subsidiaries as well as oil and gas services subsidiaries.

The ARMC reviewed and approved the schedule providing the Internal Audit team with the mandate in assessing the adequacy and effectiveness of the Group's internal control system.

In line with the approved annual review schedule by the ARMC, the Internal Audit team completed four audit reviews of which two are ISO audits, two follow-up audits, one post mortem and Standard Operating Policy and Procedure reviews. The area of coverage is aligned with the Group's Risk Management assessment covering Finance, Human Resource, Operations, Procurement, Inventory, General IT, Sales, Marketing and Project Management.

The costs incurred for the internal audit function in respect of the financial year ended 31 March 2019 amounted to RM388,335 (2018:RM363,782).

This ARMC Report is made in accordance with the resolution of the Board of Directors duly passed on 25 June 2019.

# Statement On Risk Management And Internal Control

## **Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) requires the Board of Directors of a public listed company to include in its annual report a statement about the state of risk management and internal control of the listed issuer as a group.**

The Bursa Securities’ Statement on Risk Management & Internal Control (Guidelines for Directors of Listed Issuers) provides guidance for compliance with these requirements. The Malaysian Code on Corporate Governance 2017 issued by the Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. ENRA Group Berhad’s (“ENRA”) Board of Directors (“Board”) is pleased to provide the following statement that is prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” endorsed by Bursa Securities which outlines the nature and scope of the Risk Management and Internal Control of ENRA during the financial year under review.

### **BOARD RESPONSIBILITY**

The Board acknowledges the importance of sound internal controls and risk management practices to safeguard various stakeholders’ interest and to address all key risks, which the Board considers relevant and material to ENRA and its subsidiaries (“Group”) operations. The Board affirms its overall responsibility for the Group’s system of internal control and risk management process, which includes the establishment of an appropriate control environment and framework. The Board is also responsible for reviewing the effectiveness, adequacy and integrity of those systems. These systems are designed to manage rather than to eliminate any risk that may impact the Group arising from non-achievement of the Group’s policies, goals and objectives. Such system provides reasonable but not absolute, assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing the operating and financial controls affecting the achievement of its business objectives throughout the financial reporting period. The Internal Audit Department plays a role in this respect. The process is quarterly reviewed by the Audit and Risk Management Committee (“ARMC”).

The Board maintains ultimate responsibility over the Group’s system of internal control and risk management process that it has delegated to the Executive Committee for implementation. The Internal Audit function is to provide reasonable assurance that the designed controls are in place and are operating as intended.

### **RISK MANAGEMENT FRAMEWORK**

The Board reviewed the risk management processes in place within the Group with the assistance of the Executive Risk Management Committee (“ERMC”) and the Internal Audit Department.

The ERMC meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted.

## Statement on Risk Management and Internal Control

The key elements of the Group's risk management framework are as follows:

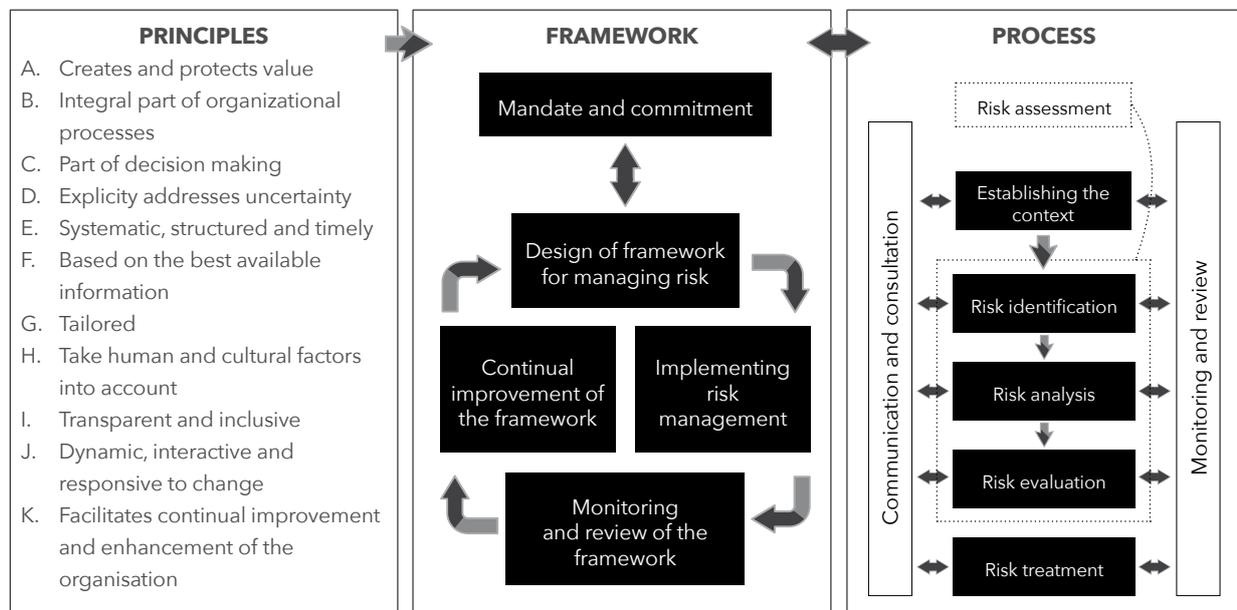
- The ERM, which is chaired by the President & Group Chief Executive Officer and comprises the Executive Directors as members and the Head of Internal Audit as the risk coordinator. The ERM is entrusted with the terms of reference and the responsibility to identify and communicate to the Board the key risks the Group faces, their changes, and management's actions and plans to manage such risks.
- The Risk Management policy guide and manual, which outlines the corporate policy and framework on risk management for the Group and offers practical guidance on risk management issues. Pursuant to the said policy, the Risk Management Units ("RMUs") at the subsidiary/operational level were set up to report quarterly to the ERM.
- The Enterprise Risk Management ("ERM") framework which is defined as methods and processes used by an organization to manage risks and seize opportunities related to the achievement of their objectives, the key feature of which is a risk governance structure comprising three lines of defense with established and clear functional responsibilities and accountabilities of the management of risk. The process owners and heads of various business units and supporting functions are the first level of defense and are accountable for all risks assumed under their respective areas of responsibility in line with the Risk Management policy and guidelines.
- The RMUs with the oversight by the ERM provides the second line of defense. Quarterly updates on risk management are given by the heads of the various business units and certain supporting functions to the RMUs, which in turn reports to the ERM. The ERM provides directions and has an oversight role in the risk management process. At its scheduled quarterly meetings, the ERM appraised and assessed the efficiency of the controls and progress of actions plans taken to mitigate and monitor the risk management exposure of the Group. The ERM also monitored the progress and status of the risk management activities, as well as raised issues of concern for Management's attention.
- The Internal Audit function provides the third line of defense. The function reports directly to the ARMC and provides independent assurance of the adequacy and reliability of risk management processes and system of internal control and ensures compliance with risk related requirements.
- Within the framework, there is an established and structured process for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation strategies and controls of the business units and supporting functions with regular communication between business units and the RMUs that in turn reports to the ERM. The current methodology is adopted from the elements of Risk Management ISO 31000 (2015).
- The level of risk tolerance is expressed through the use of a risk impact and likelihood matrix with an established risks parameter boundary set by the ERM and approved by the Board of Directors. The parameters set those risks that are deemed to exceed or close to exceeding risk tolerance and those which have not. There is established risk treatment guidance on the action to be taken for the relevant risks.
- The group's activities are exposed to a variety of risks, including operating, financial, strategic management, human resource, information technology, procurement, political, sales and marketing and safety, health and environmental risk. The Group has relevant policies and guidelines on risk reporting and disclosure that cover those risks.

# Statement on Risk Management and Internal Control

## Management of Significant Risks

- The management of the significant risks identified for the financial year ended 31 March 2019 are as follows:
  1. Strategic Management Risks in managing principals and customers. Currently the sales team’s plan is to continue to increase knowledge and competency to add value to our services that will ensure dependency from both customer and principal. We focus on education, diversification, and transfer of knowledge to maintain and enhance the relationship in this ever challenging and changing environment.
  2. Environmental Risk exist as we are operating within both the oil & gas and property development industries/ segments which are exposed to compliance risk of the laws and regulations including those relating to health, safety, environment and compliance with the various certifications required for the industries. We currently have various preventive maintenance programs, training and development, and processes for risk assessment and monitoring and control based on ISO9001 quality objectives. There is an approved plan to build our own chemical refilling and storage facility with proper safety and environmental control system.
  3. Project Completion Risk, as the Group has businesses both locally and overseas and is exposed to various risks relating to delay in procuring materials, project management risks, occupational health and safety risk, political risk, credit risk, foreign exchange risk, payment issuance and communication barriers. The Group has embarked on a more stringent role in terms of monitoring projects both locally and overseas such as appointing key people as project managers and regular monitoring, liaising with Group Legal on the terms of contracts and reporting on project progress to EXCO.

**Risk Management based on ISO 31000**



## Statement on Risk Management and Internal Control

### RISK MANAGEMENT STRUCTURE



### RISK MANAGEMENT RESPONSIBILITIES



The Risk Management process is a collective responsibility which works by engaging every level of the organization as risk owners of their immediate sphere of risks (as shown in

the Risk Management Responsibilities diagram), the Group aims to approach risk management from a top down, bottom up approach (holistically). This is managed through an oversight structure involving the Board, ARMC, Internal Audit, Executive Risk Management Committee and RMUs.

### INTERNAL AUDIT FUNCTION

At present, there is an in-house Internal Audit function. The Internal Audit function operates within the framework of the International Professional Practices Framework by the Institute of Internal Auditors as stated in its Internal Audit Charter, which is approved by the ARMC. The Internal Audit function provides the ARMC with independent opinions of processes, risk exposure and systems of internal control using the Committee of Sponsoring Organization of the Treadway Commission Internal Control - Integrated Framework as a guide.

The Internal Audit function assesses the Group's Internal Control system according to the following five interrelated control elements:

- Control Environment
- Risk Assessment
- Control Activity
- Information & Communication
- Monitoring

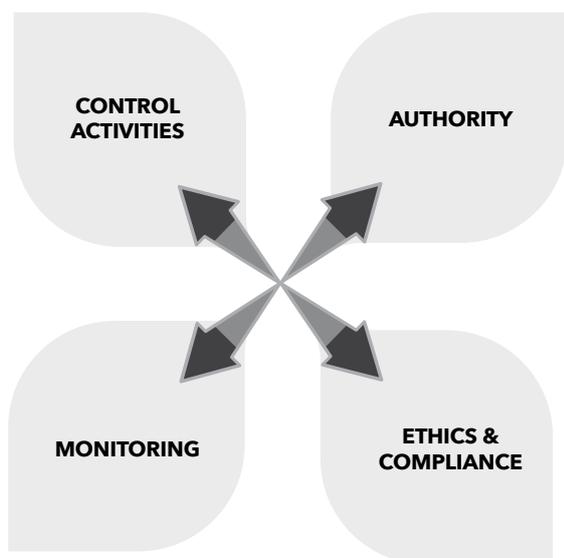
The Internal Audit team which is headed by Mr. Melvinder Singh Harminder Singh, Vice President Group Internal Audit, who is a Chartered Member of the Institute of Internal Auditors Malaysia with more than 20 years of experience in internal auditing with the assistance of a team, independently reviews the key business processes, and reports to the ARMC on a quarterly basis. The ARMC reviews and evaluates the key audit issues raised by the Internal Audit function and ensures that appropriate and prompt remedial action is taken by the Management. During the financial year ended 31 March 2019, the Internal Audit function prepared and presented an annual audit review schedule to the ARMC. This annual schedule outlines the key business processes of the Group's head office departments, property development subsidiaries as well as oil & gas services activities, engineering, construction and fabrication. The ARMC had reviewed and approved the schedule providing the Internal Audit team with the mandate in assessing the adequacy and effectiveness of the Group's internal control system.

## Statement on Risk Management and Internal Control

In line with the approved annual review schedule by the ARMC, the Internal Audit team completed two routine audits, two ISO audits, two follow-up audits, one post mortem and Standard Operating Policy and Procedure ("SOPP") reviews. The area of coverage is aligned with the Group's Risk Management assessment covering Finance, Human Resource, Operations, Procurement, Inventory, General IT, Sales, Marketing and Project Management.

### CONTROL ENVIRONMENT AND STRUCTURE

Apart from the above, the other key elements of the Group's internal control system include:



- a) Policies, procedures and limits of authority make up the control activities and authority.
- Formally documented internal policies, standards and procedures are in place and periodically updated to reflect and enhance operational efficiency. Cases of non-compliance with policies and procedures are reported to the ARMC.
  - Formally defined delegation of responsibilities to committees of the Board and to Management including organization structures and appropriate authority levels.

- b) Strategies, business planning, budgeting and reporting does the monitoring role.
- Bi-weekly comprehensive information provided to Management for monitoring through the Management Committee Meeting and monthly Management Financial Review meetings on performance against strategic plans covering all key financial, operational, oil & gas and property venture indicators.
  - Detailed budgeting process requiring all business units to review their budgets periodically. The budgets are discussed and approved by the President & Group Chief Executive Officer and subsequently the Board.
  - The Group Chief Financial Officer provides the Board with quarterly financial information. This effective reporting system exposes significant variances against the budget. Key variances are followed up by Management and reported to the Board.
- c) Risk assessment ensures that all are in compliance and meet the ethical requirements of the ethics code.
- The President & Group Chief Executive Officer, with the input from the ERM, reviews with the ARMC on any significant changes in internal and external environment, which affects the Group's risk profile.

### CODE OF BUSINESS ETHICS SIGN OFF BY EMPLOYEES AND EXCO

The Group communicates the Code of Business Conduct to its employees upon their employment. The Code of Business Conduct reinforces the Group's core value on integrity by providing guidance on moral and ethical behavior that is expected from all employees in following applicable laws, policies, standards and procedures. Every six months or half yearly, the employees and Executive Committee of the Group and its subsidiaries confirm compliance via the Code of Business Conduct Questionnaire for disclosure of any irregularities or breach of the Code of Business Conduct. The feedback from the Code of Business Conduct Questionnaire is considered by the Executive Committee and further deliberated by the ARMC. There were no irregularities or breaches in this financial year.

## Statement on Risk Management and Internal Control

### GROUP VENDOR CODE OF CONDUCT

There is a Group Vendor Code of Conduct, which sets standards of business practice that generally applies to all vendors of the Group. The areas of coverage in the Vendor Code of Conduct are Professional Conduct and Business Ethics, Compliance with Laws, Rules and Regulations, Human Rights and Labor, Anti-Corruption/ Anti Competition, Conflict of Interest, Health Safety and Environment, Confidentiality and maintenance of Documentations and Records. All vendors need to acknowledge the Vendor Code of Conduct. Acknowledgement of the Code is a pre-requisite in all of ENRA Group's contracts for supply. Through the acceptance of a purchase order, letter of award, contract or agreement or performance of any obligation to and agreed by ENRA Group, Vendors shall commit and are deemed to have committed themselves to complying with the Code.

### WHISTLEBLOWING POLICY

A whistleblowing policy is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner to enable employees and stakeholders and where applicable members of the public to raise genuine concerns about possible improprieties, improper conduct or other malpractices within the Group in an appropriate way.

### REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on this Statement of Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG 3), Guidance for Auditors on Engagement and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the financial year ended 31 March 2019, and reported to the Board that nothing has come to their attention that caused them to believe the statement intended to be included in the Annual Report is not prepared in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the said Guidelines nor is the Statement of Risk Management and Internal Control factually inaccurate.

### BOARD ASSURANCE

For the financial year under review, the Board is satisfied and is of the view that the risk management and internal control systems in place for the year under review and up to the date of issuance of the financial statements is adequate and effective and there are no material losses resulting from significant weaknesses that require separate disclosure in the Annual Report.

The Board has also received assurances from the Executive Directors, President & Group Chief Executive Officer and the Company's Chief Financial Officer that to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group. Nevertheless, the Board together with the Management of the Group is continuously taking measures to improve the policies and processes to further strengthen the key elements of risk management and internal control systems.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors duly passed on 25 June 2019.

# Additional Compliance Information

As at 25 June 2019

## UTILISATION OF PROCEEDS

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 March 2019.

## AUDIT AND NON-AUDIT FEES

The amount of remuneration received and receivable by the Company's auditors, or a firm or corporation affiliated to the Company's auditors for services rendered to the Group and the Company for the financial year under review are as follows:

	Group RM'000	Company RM'000
<b>Statutory Audit Fees:</b>		
By the Company's auditors	108	52
By member firms of the Company's auditors	98	-
	206	52
<b>Non-Audit Fees:</b>		
By the Company's auditors	54	54
By affiliated company of the Company's auditors (tax related)	38	9
	92	63

The non-audit fees are for recurring permissible services comprises tax compliance fees, review of Statement of Risk Management and Internal Control, quarterly financial statement reviews and assessment of the first time adoption of new Malaysian Financial Reporting Standards by the Group.

## MATERIAL CONTRACTS INVOLVING INTERESTS OF THE DIRECTORS OR MAJOR SHAREHOLDERS OF THE COMPANY

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the Directors and major shareholders of the Company, which were still subsisting as at the end of financial year or which were entered into since the end of the previous financial year.

## EMPLOYEES' SHARE SCHEME ("EES")

The Company's ESS comprising an employees' share option scheme and an employees' share grant plan was approved by the shareholders at the Extraordinary General Meeting held on 9 February 2018. The ESS came into effect on 12 February 2018 and shall be in force for a period of five (5) years. The ESS may be extended for such period, at the sole and absolute discretion of the Board, provided always that such extension of the ESS shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other authorities from the effective date of the ESS.

As at 25 June 2019, no option or share grant has been awarded to any person pursuant to the ESS.

# Statement of Directors' Responsibility

IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 ("Act") to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and its subsidiaries (the "Group") as at the end of the financial year, and of the results, financial performance and cash flows of the Group and of the Company for the financial year.

The Directors consider that, in preparing the financial statements, the Group and the Company have consistently applied appropriate accounting policies on a going concern basis, supported by reasonable judgements and estimates that are prudent, and in compliance with all applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standard ("IFRS") and the requirements of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors have general responsibility for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy the financial position of the Group and the Company and for taking such steps as are reasonably open to them to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board of the Directors dated 25 June 2019.

# Financial Section

ENRA Group Berhad Annual Report 2019

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79	Notes to the Financial Statements

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# Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in property investment, investment holding, management services activities and sale of completed properties.

The principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for those disclosed in Note 7 to the financial statements.

## RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
<hr/>		
(Loss)/Profit for the financial year from:		
- continuing operations	(26,317)	26,976
- discontinued operations	(479)	(468)
	<hr/>	<hr/>
	(26,796)	26,508
Attributable to:		
Equity holders of the Company	(24,613)	26,508
Non-controlling interests	(2,183)	-
	<hr/>	<hr/>
	(26,796)	26,508

## DIVIDEND

On 30 May 2018, the Board of Directors declared a first interim single tier dividend of 4.5 sen per share in respect of financial year ended 31 March 2018 amounting to RM6,071,000. The dividend was paid on 6 August 2018.

On 23 April 2019, the Board of Directors has declared a first interim single tier dividend of 3.0 sen per share in respect of financial year ended 31 March 2019 amounting to RM4,050,000 which is recognised in financial year ended 31 March 2020. The dividend was paid on 17 May 2019.

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2019.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

## Directors' Report

### TREASURY SHARES

As at 31 March 2019, the Company held 1,289,400 treasury shares at a total cost of RM1.199 million.

### DIRECTORS

The names of the Directors of the Company in office since the date of the last report and as at the date of this report are:

#### Directors of the Company

Datuk Ali bin Abdul Kadir (Chairman)  
Tan Sri Dato' Kamaluddin bin Abdullah (Executive Deputy Chairman)\*  
Dato' Mazlin bin Md Junid (President & Group Chief Executive Officer)\*  
Kok Kong Chin (Executive Director)\*  
Tan Sri Dato' Seri Shamsul Azhar bin Abbas  
Datuk Anuar bin Ahmad\*  
Dato' Wee Yiau Hin @ Ong Yiau Hin\*  
Loh Chen Yook

\* These Directors of the Company were also the Directors of certain subsidiaries of the Company.

#### Other Directors of the Company's subsidiaries undertakings (as defined in Section 253 of the Companies Act 2016)

Ami Akhram bin Abdullah  
Andrew Leslie Fooks  
Dr. Arvind a/l Hari Narayanan  
David Charles Field  
Faizul bin Zainol  
Ir. Mohd Arifin bin Samingun  
Ir. Mohamad Radzi bin A Rahman  
Ir. Mohd Razali bin Ramli  
Koo Siew Ling  
Lau Lee Hoong  
Sin Wai Ling  
Rayburn Azhar bin Ali  
Zainun binti Yusof  
Amrish a/l Hari Narayanan  
Anthony Kan Ho Yin  
Christopher Johs Ulrik  
Dato' Jasmy bin Ismail  
Dato' Sharifah Sofianny binti Syed Hussain  
Dato' Yau Kok Seng  
Tam Yet Shyan (Alternate to Dato' Yau Kok Seng)  
Kee Wan Yong  
Law Wai Cheong  
Tong Lee Hiong  
Abdul Karim bin Ali  
Dato' Ong Chong Sek  
Kamalukhair bin Abdullah

In accordance with Article 76 of the Company's Articles of Association, Tan Sri Dato' Kamaluddin bin Abdullah, Datuk Anuar bin Ahmad and Dato' Wee Yiau Hin @ Ong Yiau Hin retire from the Board of the Company at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## Directors' Report

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2019 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			
	Balance as at 1.4.2018	Bought	Sold	
<b>Shares in the Company</b>				
<b>Direct interests</b>				
Datuk Ali bin Abdul Kadir	4,000,000	200,000	-	4,200,000
Tan Sri Dato' Kamaluddin bin Abdullah	12,507,629	4,850,000	(2,000,000)	15,357,629
Kok Kong Chin	3,000,000	-	-	3,000,000
Datuk Anuar bin Ahmad	1,000,000	-	-	1,000,000
Dato' Wee Yiau Hin @ Ong Yiau Hin	1,000,000	-	-	1,000,000
Loh Chen Yook	-	1,000,000	-	1,000,000
<b>Indirect interests</b>				
Tan Sri Dato' Kamaluddin bin Abdullah	42,100,000	1,000,000	(14,950,000)	28,150,000
Dato' Mazlin bin Md Junid	27,400,000	-	(11,038,000)	16,362,000
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	2,000,000	-	-	2,000,000

By virtue of his interests in the ordinary shares of the Company, Tan Sri Dato' Kamaluddin bin Abdullah is also deemed to be interested in the ordinary shares of all the subsidiaries during the financial year to the extent the Company has an interest under Section 8(4) of the Companies Act 2016.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in Note 39 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions disclosed in Note 39 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 39(c) to the financial statements.

## Directors' Report

### INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company is RM19,000.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

## Directors' Report

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 43 to the financial statements.

### SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 44 to the financial statements.

### AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2019 are disclosed in Note 31 to the financial statements.

BDO PLT (LLP0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board in accordance with a resolution of the Directors.

**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**  
Director

**Dato' Mazlin bin Md Junid**  
Director

Kuala Lumpur  
25 June 2019

# Statement by Directors

Pursuant to Section 251 (2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 69 to 161 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**  
Director

Kuala Lumpur  
25 June 2019

**Dato' Mazlin bin Md Junid**  
Director

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# Statutory Declaration

Pursuant to Section 251 (1)(b) of the Companies Act 2016

I, Ami Akhram bin Abdullah (CA 33924), being the Officer primarily responsible for the financial management of ENRA Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 69 to 161 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly  
declared by the above named at  
Kuala Lumpur this  
25 June 2019

Before me,

**KAPT (B) JASNI BIN YUSOFF**  
Commissioner of Oaths  
Malaysia  
No. W465

# Independent Auditors' Report

To the Members of ENRA Group Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of ENRA Group Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of profit or loss, statement of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 161.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group level

#### (1) Impairment assessment of the carrying amount of goodwill

As at 31 March 2019, goodwill on consolidation of RM13 million as disclosed in Note 10 to the financial statements.

Management used a value in use model to compute the present value of forecasted future cash flows for the cash generating unit ("CGU") to determine if there is any impairment loss required on the carrying amount of goodwill.

We have focused on the impairment assessment of the carrying amount of goodwill as the determination of whether or not an impairment loss is necessary involved significant judgements and estimates by the Directors about the future results and key assumptions applied to cash flow projections of the CGU in determining its recoverable amount. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate.

# Independent Auditors' Report

To the Members of ENRA Group Berhad  
(Incorporated in Malaysia)

## Key Audit Matters (cont'd)

### Group level (cont'd)

- (1) Impairment assessment of the carrying amount of goodwill (cont'd)

#### **Audit response**

Our audit procedures included the following:

- (a) compared cash flow projections against recent performance and assessed the reasonableness of the key assumptions used by management in the cashflow forecast and projections by comparing to actual historical growth rates;
- (b) compared prior period budgets and forecasts to current period's actual results to assess the historical accuracy of the forecasts;
- (c) assessed the suitability of the pre-tax discount rate used by the CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (d) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.

- (2) Recoverability of trade receivables

As at 31 March 2019, trade receivables of the Group were RM17 million as disclosed in Note 13 to the financial statements.

Management recognised impairment losses on trade receivables based on specific known facts or circumstances or customers' abilities to pay.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward looking information and estimated cash flows recoverable in worst-case scenarios.

#### **Audit response**

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group;
- (c) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (d) Challenged management on the basis for determining cash flows recoverable in worst-case scenarios.

- (3) Impairment assessment of inventories

As at 31 March 2019, the Group held a significant inventory amounted to RM83 million as disclosed in Note 12 to the financial statements and it constituted approximately 56% of the Group's total current assets. As at 31 March 2019, inventories were assessed and recognised at the lower of cost and net realisable value ("NRV"). Management recognised written down on property inventories of RM9 million to the estimated NRV as there are currently no sales agreed for any of the units and the cost is larger than the listed price.

# Independent Auditors' Report

To the Members of ENRA Group Berhad  
(Incorporated in Malaysia)

## Key Audit Matters (cont'd)

### Group level (cont'd)

#### (3) Impairment assessment of inventories (cont'd)

The valuation of inventories is identified as a key audit matter because of the judgement made by the Directors in determining an appropriate inventory valuation which involved predicting the amount of future demand from customers. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value.

#### **Audit response**

Our audit procedures included the following:

- (a) assessed the unsold units based on enquiries with management including collaborative enquiries with the key management personnel on the plans to address slow moving inventories;
- (b) for those unsold completed units which have recent sale transactions, we tested the carrying amount of these unsold completed units, by comparing to the recent selling prices for similar units stated in the signed sale and purchase agreements, net of discounts given; and
- (c) for those unsold completed units which did not have recent sale transactions, we obtained the recent transacted prices of comparable development units in similar or nearby locations, and adjusted for the size of the units.

### Company level

#### (1) Impairment assessment of the carrying amounts of costs of investments in subsidiaries

As at 31 March 2019, costs of investments in subsidiaries of the Company amounted to RM68 million as disclosed in Notes 7 to the financial statements.

Management used a value in use model to compute the present value of forecasted future cash flows for the subsidiaries to determine if there is any impairment loss required on the costs of investments in subsidiaries.

We have focused on the impairment assessment of the carrying amounts of the costs of investments in subsidiaries as the determination of whether or not an impairment loss is necessary involved significant judgements and estimates by the Directors about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining their recoverable amounts. These key assumptions include forecast growth in future revenue, as well as determining an appropriate pre-tax discount rate.

#### **Audit response**

Our audit procedures included the following:

- (a) compared cash flow projections against recent performance and assessed the reasonableness of the key assumptions used by management in the cashflow forecast and projections by comparing to actual growth rates;
- (b) compared prior period budgets and forecasts to current period's actual results to assess the historical accuracy of the forecasts;
- (c) assessed the suitability of the pre-tax discount rate used by each subsidiary by comparing to the weighted average cost of capital of the Group and relevant risk factor; and
- (d) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.

## Independent Auditors' Report

To the Members of ENRA Group Berhad  
(Incorporated in Malaysia)

### Key Audit Matters (cont'd)

#### Company level (cont'd)

- (2) Impairment assessment of the carrying amounts of amounts due from subsidiaries

As at 31 March 2019, amounts due from subsidiaries of the Company amounted to RM60 million as disclosed in Notes 13 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by subsidiaries, appropriate forward looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios.

#### **Audit response**

Our audit procedures included the following:

- (a) recomputed probability of default using historical data and forward looking adjustment applied by the Company;
- (b) assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages;
- (c) challenged management on the basis for determining cash flows recoverable in worst case scenarios, where applicable; and
- (d) assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

# Independent Auditors' Report

To the Members of ENRA Group Berhad  
(Incorporated in Malaysia)

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent Auditors' Report

To the Members of ENRA Group Berhad  
(Incorporated in Malaysia)

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

## Other Matters

As stated in Note 3 to the financial statements, ENRA Group Berhad adopted Malaysian Financial Reporting Standards on 1 April 2018 with a transition date of 1 April 2017. These Standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2018 and 1 April 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended 31 March 2018 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2019 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2018 do not contain misstatements that materially affect the financial position as of 31 March 2019 and financial performance and cash flows for the year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

**Lee Wee Hoong**  
03316/07/2019 J  
Chartered Accountant

Kuala Lumpur  
25 June 2019

# Statements of Financial Position

As at 31 March 2019

GROUP	Note	31 March 2019	31 March 2018	1 April 2017
		RM'000	RM'000	RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	14,523	4,531	3,716
Right-of-use assets	5	85,077	2,067	2,526
Investment in a joint venture	6	-	-	-
Investment in an associate	8	17	-	-
Intangible assets	9	17,206	8,505	8,505
Deferred tax assets	11	76	117	1,929
		116,899	15,220	16,676
<b>Current assets</b>				
Inventories	12	83,270	73,594	77,231
Trade and other receivables	13	33,881	62,970	72,589
Contract assets	14	-	5,977	8,904
Derivative assets	15	512	111	73
Current tax assets		842	469	1,286
Cash and bank balances and short term funds	16	29,965	46,189	64,065
		148,470	189,310	224,148
Assets held for sale	17	-	85,156	85,156
<b>TOTAL ASSETS</b>		<b>265,369</b>	<b>289,686</b>	<b>325,980</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	18	144,744	144,744	144,744
Redeemable convertible preference shares equity	19	2,886	409	409
Treasury shares	20	(1,199)	(1,199)	(1,199)
Non-distributable reserves	21	328	367	347
(Accumulated losses)/Retained earnings		(23,684)	7,000	8,364
		123,075	151,321	152,665
Non-controlling interests		(2,199)	13,724	18,258
<b>TOTAL EQUITY</b>		<b>120,876</b>	<b>165,045</b>	<b>170,923</b>

The accompanying notes form an integral part of the financial statements.

## Statements of Financial Position

As at 31 March 2019

GROUP	Note	31 March 2019 RM'000	31 March 2018 RM'000	1 April 2017 RM'000
<b>EQUITY AND LIABILITIES (cont'd)</b>				
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	11	283	243	101
Trade and other payables	22	2,613	104	1,313
Borrowings	23	282	3,398	17,627
Lease liabilities	5	59,144	1,233	1,588
Redeemable convertible preference shares liability	19	5,580	703	648
		67,902	5,681	21,277
<b>Current liabilities</b>				
Trade and other payables	22	31,776	44,514	82,327
Borrowings	23	16,168	72,464	45,575
Lease liabilities	5	27,658	931	1,014
Current tax liabilities		989	1,044	4,857
		76,591	118,953	133,773
Liabilities held for sale	17	-	7	7
<b>TOTAL LIABILITIES</b>		144,493	124,641	155,057
<b>TOTAL EQUITY AND LIABILITIES</b>		265,369	289,686	325,980

The accompanying notes form an integral part of the financial statements.

## Statements of Financial Position

As at 31 March 2019

COMPANY	Note	31 March 2019 RM'000	31 March 2018 RM'000	1 April 2017 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	561	762	792
Right-of-use assets	5	838	1,302	1,451
Investments in subsidiaries	7	68,211	13,249	10,909
		69,610	15,313	13,152
<b>Current assets</b>				
Inventories	12	7,616	-	-
Trade and other receivables	13	61,352	81,644	57,741
Derivative assets	15	512	111	73
Current tax assets		617	346	1,103
Cash and bank balances and short term funds	16	15,091	10,110	5,174
		85,188	92,211	64,091
Assets held for sale	17	-	85,575	85,575
<b>TOTAL ASSETS</b>		<b>154,798</b>	<b>193,099</b>	<b>162,818</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	18	144,744	144,744	144,744
Treasury shares	20	(1,199)	(1,199)	(1,199)
Retained earnings/(Accumulated losses)		1,765	(18,672)	(29,274)
<b>TOTAL EQUITY</b>		<b>145,310</b>	<b>124,873</b>	<b>114,271</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	23	31	2,757	11,102
Lease liabilities	5	462	915	1,070
		493	3,672	12,172
<b>Current liabilities</b>				
Trade and other payables	22	5,516	17,633	8,470
Borrowings	23	3,027	46,466	27,478
Lease liabilities	5	452	455	427
		8,995	64,554	36,375
<b>TOTAL LIABILITIES</b>		<b>9,488</b>	<b>68,226</b>	<b>48,547</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>154,798</b>	<b>193,099</b>	<b>162,818</b>

The accompanying notes form an integral part of the financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 March 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Continuing operations</b>					
Revenue	28	164,706	75,286	2,891	-
Cost of sales	29	(132,136)	(53,919)	(2,633)	-
Gross profit		32,570	21,367	258	-
Other income		4,437	6,436	41,456	21,231
Administrative expenses		(51,818)	(23,536)	(11,827)	(13,215)
Other expenses		(3,195)	(4,897)	(2,378)	(269)
Lease interest expense		(3,621)	(118)	(62)	(73)
Finance costs	30	(1,659)	(642)	(471)	(399)
Share of results of an associate, net of tax		2	-	-	-
(Loss)/Profit before tax	31	(23,284)	(1,390)	26,976	7,275
Tax expense	32	(3,033)	(2,144)	-	-
(Loss)/Profit for the financial year from continuing operations		(26,317)	(3,534)	26,976	7,275
<b>Discontinued operations</b>					
(Loss)/Profit for the financial year from discontinued operations, net of tax	33	(479)	3,219	(468)	3,327
(Loss)/Profit for the financial year		(26,796)	(315)	26,508	10,602
Other comprehensive (loss)/income:					
Foreign currency translations, net of tax		(48)	22	-	-
Total comprehensive (loss)/income		(26,844)	(293)	26,508	10,602
(Loss)/Profit attributable to:					
Equity holders of the Company		(24,613)	543	26,508	10,602
Non-controlling interests		(2,183)	(858)	-	-
		(26,796)	(315)	26,508	10,602
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(24,652)	563	26,508	10,602
Non-controlling interests		(2,192)	(856)	-	-
		(26,844)	(293)	26,508	10,602
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic and diluted	34				
Loss from continuing operations		(17.89)	(1.98)		
(Loss)/Profit from discontinued operations		(0.36)	2.39		
(Loss)/Profit for the financial year		(18.25)	0.41		

The accompanying notes form an integral part of the financial statements.

# Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2019

Group	Non-distributable					Distributable					Total equity RM'000
	Share capital RM'000	Redeemable convertible preference shares RM'000	Share premium RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated losses) RM'000	Company RM'000	Non-controlling interests RM'000	Total attributable to equity holders of the Company RM'000	
<b>At 1 April 2017</b>	144,744	409	-	275	72	(1,199)	8,364	152,665	18,258	170,923	
Profit/(Loss) for the financial year	-	-	-	-	-	-	543	543	(858)	(315)	
Other comprehensive income, net of tax	-	-	-	-	20	-	-	20	2	22	
Total comprehensive income	-	-	-	-	20	-	543	563	(856)	(293)	
<b>Transactions with owners</b>											
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	(1,907)	(1,907)	1,907	-	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(5,585)	(5,585)	
Total transactions with owners	-	-	-	-	-	-	(1,907)	(1,907)	(3,678)	(5,585)	
<b>Balance as at 31 March 2018</b>	144,744	409	-	275	92	(1,199)	7,000	151,321	13,724	165,045	
Loss for the financial year	-	-	-	-	-	-	(24,613)	(24,613)	(2,183)	(26,796)	
Other comprehensive loss, net of tax	-	-	-	-	(39)	-	-	(39)	(9)	(48)	
Total comprehensive income	-	-	-	-	(39)	-	(24,613)	(24,652)	(2,192)	(26,844)	
<b>Transactions with owners</b>											
Dividends to equity holders of the Company	-	-	-	-	-	-	(6,071)	(6,071)	-	(6,071)	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(11,577)	(11,577)	
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(2,707)	(2,707)	
Issue of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	553	553	
Issuance of redeemable convertible preference shares	-	2,477	-	-	-	-	-	2,477	-	2,477	
Total transactions with owners	-	2,477	-	-	-	-	(6,071)	(3,594)	(13,731)	(17,325)	
<b>Balance as at 31 March 2019</b>	144,744	2,886	-	275	53	(1,199)	(23,684)	123,075	(2,199)	120,876	

The accompanying notes form an integral part of the financial statements.

# Statement of Changes in Equity

For the financial year ended 31 March 2019

Company	← Non-distributable →			Distributable		Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	(Accumulated losses)/ Retained earnings RM'000		
<b>At 1 April 2017</b>	144,744	-	(1,199)	(29,274)		114,271
Profit for the financial year	-	-	-	10,602		10,602
Other comprehensive income, net of tax	-	-	-	-		-
Total comprehensive income	-	-	-	10,602		10,602
<b>Balance as at 31 March 2018</b>	144,744	-	(1,199)	(18,672)		124,873
Profit for the financial year	-	-	-	26,508		26,508
Dividends to equity holders of the Company	-	-	-	(6,071)		(6,071)
Other comprehensive income, net of tax	-	-	-	-		-
Total comprehensive income	-	-	-	20,437		20,437
<b>Balance as at 31 March 2019</b>	144,744	-	(1,199)	1,765		145,310

The accompanying notes form an integral part of the financial statements.

# Statements of Cash Flows

For the financial year ended 31 March 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before tax from:					
Continuing operations		(23,284)	(1,390)	26,976	7,275
Discontinued operations	33	(479)	3,290	(468)	3,398
Adjustments for:					
Impairment loss on trade receivables	13(h)	16,608	588	-	-
Inventories written down	12(d)	9,276	-	-	-
Depreciation of property, plant and equipment	4	1,117	1,312	207	278
Amortisation of right-of-use assets	5	26,429	1,071	464	469
Amortisation of intangible assets	9	193	-	-	-
Fair value gain on derivatives	15	(401)	(38)	(401)	(38)
Loss/(Gain) on disposal of subsidiaries	7(d)	338	1	(134)	-
Loss/(Gain) on disposal of property, plant and equipment		49	(132)	-	(2)
Unrealised loss on foreign exchange		657	705	262	612
Share of results of an associate, net of tax		(16)	-	-	-
Derecognition of contingent consideration for business acquisition		-	(4,092)	-	-
Unwinding of discount (RCPS)	19	316	55	-	-
Dividend income		-	-	(34,366)	(15,033)
Lease interest expense	5	3,621	118	62	73
Interest expense		1,736	3,114	864	2,926
Interest income		(914)	(1,639)	(3,888)	(2,675)
Operating profit/(loss) before changes in working capital		35,246	2,963	(10,422)	(2,717)

The accompanying notes form an integral part of the financial statements.

## Statements of Cash Flows

For the financial year ended 31 March 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)</b>					
Decrease in contract assets	14	5,977	-	-	-
(Increase)/Decrease in inventories		(15,003)	2,758	(7,616)	-
Decrease/(Increase) in trade and other receivables		5,239	11,942	(4,941)	(4,483)
(Decrease)/Increase in trade and other payables		(13,504)	(35,004)	(11,589)	8,488
Cash generated from/(used in) operations		17,955	(17,341)	(34,568)	1,288
Tax (paid)/refund		(3,399)	(3,259)	(271)	686
Net cash from/(used in) operating activities		14,556	(20,600)	(34,839)	1,974
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received		914	1,639	3,888	2,675
(Placement)/Uplift of fixed deposits pledged		(648)	(2,069)	1,799	(50)
Proceeds from disposal of property, plant and equipment		261	179	-	37
Net (outflows)/inflows on disposal of subsidiaries	7(d)	(2,311)	-	5,734	-
Acquisition of:					
- right-of-use assets		(23)	(7)	-	-
- subsidiaries, net of cash	7(c)	(3,923)	-	-	-
- property, plant and equipment	4	(10,335)	(2,174)	(6)	(3)
Proceeds from disposal of investment properties		85,015	-	85,575	-
Advances to subsidiaries		-	-	(36,121)	(21,982)
Net cash from/(used in) investing activities		68,950	(2,432)	60,869	(19,323)

The accompanying notes form an integral part of the financial statements.

## Statements of Cash Flows

For the financial year ended 31 March 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(1,736)	(3,114)	(864)	(2,926)
Dividends received		-	-	34,366	15,033
Dividends paid to:					
- equity holders of the Company		(6,071)	-	(6,071)	-
- non-controlling interests		(11,577)	(5,585)	-	-
Issuance of redeemable convertible preference shares		7,038	-	-	-
Repayment of lease liabilities MFRS 16		(28,564)	(1,160)	(516)	(515)
Drawdown of other borrowings		-	34,537	-	19,700
Drawdown of term loan		9,778	-	-	-
Repayments of:					
- hire-purchase and lease creditors		(484)	(234)	(25)	(46)
- other borrowings		(34,293)	-	(16,700)	-
- term loans		(16,716)	(19,077)	(11,019)	(8,343)
Net cash (used in)/from financing activities		(82,625)	5,367	(829)	22,903
Net increase/(decrease) in cash and cash equivalents		881	(17,665)	25,201	5,554
Cash and cash equivalents at beginning of financial year		21,970	39,679	(10,110)	(15,664)
Effects of exchange rate changes on cash and cash equivalents		(15)	(44)	-	-
Cash and cash equivalents at end of financial year	16(g)	22,836	21,970	15,091	(10,110)

The accompanying notes form an integral part of the financial statements.

## Statements of Cash Flows

For the financial year ended 31 March 2019

Reconciliation of liabilities arising from financial activities:

	Other borrowings (Note 27)		Term loans (Note 26)		Hire-purchase and lease creditors (Note 25)	
	Group	Company	Group	Company	Group	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2018	39,759	19,700	16,765	11,019	917	83
Cash flows	(34,293)	(16,700)	(6,938)	(11,019)	(484)	(25)
Non-cash flows:						
- Effect of foreign currency	-	-	(49)	-	-	-
Acquisition of subsidiaries	-	-	-	-	90	-
At 31 March 2019	5,466	3,000	9,778	-	523	58

	Other borrowings (Note 27)		Term loans (Note 26)		Hire-purchase and lease creditors (Note 25)	
	Group	Company	Group	Company	Group	Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2017	5,222	-	36,172	19,362	1,151	129
Cash flows	34,537	19,700	(19,077)	(8,343)	(234)	(46)
Non-cash flows:						
- Effect of foreign currency	-	-	(330)	-	-	-
At 31 March 2018	39,759	19,700	16,765	11,019	917	83

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

31 March 2019

## 1. CORPORATE INFORMATION

ENRA Group Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at D2-U3-10, Block D2, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 March 2019 comprise the Company and its subsidiaries and the interests of the Group in an associate and a joint venture. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 25 June 2019.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in property investment, investment holding, investment services activities and sale of completed properties. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year except for those disclosed in Note 7 to the financial statements.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 69 to 161 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

These are the first financial statements of the Group and of the Company prepared in accordance with MFRSs and IFRSs and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia.

The Group and the Company have consistently applied the same accounting policies in its opening MFRS statements of financial position as at 1 April 2017 and throughout all financial years presented, as if these policies had always been in effect. The Group and the Company has elected to early adopt MFRS 16 *Leases* which is mandatory for financial periods beginning on or after 1 January 2019. Comparative figures for the financial year ended 2018 in these financial statements have been restated to give effect to these changes, and Note 45 to the financial statements discloses the new MFRSs, amendments to MFRSs adopted during the financial year and the impact of the transition to MFRS on the Group's and the Company's reported financial position, financial performance and cash flows for the financial year then ended.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

## Notes to the Financial Statement

31 March 2019

## 4. PROPERTY, PLANT AND EQUIPMENT

Group 2019	Balance as at 1.4.2018 RM'000	Additions RM'000	Acquisition of a subsidiary RM'000	Disposals RM'000	Disposal of a subsidiary RM'000	Depreciation charge for the year RM'000	Exchange adjustment RM'000	Balance as at 31.3.2019 RM'000	At 31.3.2019	
									Cost RM'000	Carrying amount RM'000
<b>Carrying amount</b>										
Leasehold lands and building	-	9,127	272	-	-	(113)	(4)	9,282	10,523	9,282
Furniture, fittings, renovation and office equipment	818	446	63	(31)	(29)	(104)	(1)	1,162	2,638	1,162
Computer hardware and software	282	7	-	(12)	(17)	(163)	-	97	999	97
Motor vehicles	1,016	-	188	(210)	(11)	(287)	(6)	690	1,962	690
Plant and machinery	2,415	675	546	-	-	(450)	(23)	3,163	4,665	3,163
Capital work in progress	-	129	-	-	-	-	-	129	129	129
	4,531	10,384	1,069	(253)	(57)	(1,117)	(34)	14,523	20,916	14,523
Leasehold lands and building									10,523	9,282
Furniture, fittings, renovation and office equipment									2,638	1,162
Computer hardware and software									999	97
Motor vehicles									1,962	690
Plant and machinery									4,665	3,163
Capital work in progress									129	129
									20,916	14,523

## Notes to the Financial Statement

31 March 2019

## 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2018	Balance as at 1.4.2017 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2018 RM'000
<b>Carrying amount</b>					
Furniture, fittings, renovation and office equipment	1,330	43	(6)	(549)	818
Computer hardware and software	434	123	(41)	(234)	282
Motor vehicles	1,241	107	-	(332)	1,016
Plant and machinery	711	1,901	-	(197)	2,415
	3,716	2,174	(47)	(1,312)	4,531

← At 31.3.2018 →

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture, fittings, renovation and office equipment	2,076	(1,258)	818
Computer hardware and software	1,063	(781)	282
Motor vehicles	2,098	(1,082)	1,016
Plant and machinery	2,638	(223)	2,415
	7,875	(3,344)	4,531

Company 2019	Balance as at 1.4.2018 RM'000	Additions RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2019 RM'000
<b>Carrying amount</b>				
Furniture, fittings, renovation and office equipment	517	6	(71)	452
Computer hardware and software	138	-	(99)	39
Motor vehicles	107	-	(37)	70
	762	6	(207)	561

← At 31.3.2019 →

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture, fittings, renovation and office equipment	1,467	(1,015)	452
Computer hardware and software	763	(724)	39
Motor vehicles	184	(114)	70
	2,414	(1,853)	561



## Notes to the Financial Statement

31 March 2019

**4. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the costs of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates and period are as follows:

Leasehold lands and building	up to 99 years
Furniture, fittings, renovation and office equipment	10% - 33.33%
Computer hardware and software	20% - 33.33%
Motor vehicles	20%
Plant and machinery	10%

Capital work-in-progress represents warehouse under construction and is stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Purchase of property, plant and equipment	10,384	2,174	6	3
Transfer from inventories	(49)	-	-	-
Cash payments on purchase of property, plant and equipment	10,335	2,174	6	3

- (d) The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase arrangements are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Motor vehicles	690	1,016	70	107

- (e) Leasehold lands and building are analysed as:

	Group	
	2019 RM'000	2018 RM'000
Long term (unexpired period more than 50 years)	9,282	-

The Group has assessed and classified lands use rights and property use right of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the lands and property resides with the Group arising from the lease term.

## Notes to the Financial Statement

31 March 2019

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

Group	Buildings RM'000	Office equipments RM'000	Vessel RM'000	Total RM'000
<b>Cost</b>				
<b>At 1 April 2017 under FRS 117</b>	-	-	-	-
Effects of MFRS 16	3,153	457	-	3,610
Opening of right-of-use assets in accordance with MFRS 16	3,153	457	-	3,610
Addition	618	-	-	618
Exchange adjustment	(14)	-	-	(14)
<b>At 31 March 2018</b>	3,757	457	-	4,214
Addition	594	-	103,990	104,584
Acquisition of a subsidiary	1,725	-	-	1,725
Exchange adjustment	(71)	-	3,842	3,771
<b>At 31 March 2019</b>	6,005	457	107,832	114,294
<b>Accumulated amortisation</b>				
<b>At 1 April 2017 under FRS 117</b>	-	-	-	-
Effects of MFRS 16	1,030	54	-	1,084
Opening of amortisation in accordance with MFRS 16	1,030	54	-	1,084
Amortisation charged for the year	934	137	-	1,071
Exchange adjustment	(8)	-	-	(8)
<b>At 31 March 2018</b>	1,956	191	-	2,147
Amortisation charged for the year	1,052	137	25,240	26,429
Acquisition of a subsidiary	837	-	-	837
Exchange adjustment	(41)	-	(155)	(196)
<b>At 31 March 2019</b>	3,804	328	25,085	29,217
<b>Net carrying amount as at 31 March 2018</b>	1,801	266	-	2,067
<b>Net carrying amount as at 31 March 2019</b>	2,201	129	82,747	85,077

## Notes to the Financial Statement

31 March 2019

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

## (a) Right-of-use assets (cont'd)

Company	Buildings RM'000	Office equipments RM'000	Total RM'000
<b>Cost</b>			
<b>At 1 April 2017 under FRS 117</b>			
Effects of MFRS 16	1,514	334	1,848
Opening of right-of-use asset in accordance with MFRS 16	1,514	334	1,848
Addition	326	-	326
Exchange adjustment	(14)	-	(14)
<b>At 31 March 2018</b>	1,826	334	2,160
Exchange adjustment	(4)	-	(4)
<b>At 31 March 2019</b>	1,822	334	2,156
<b>Accumulated amortisation</b>			
<b>At 1 April 2017 under FRS 117</b>			
Effects of MFRS 16	376	21	397
Opening of amortisation in accordance with MFRS 16	376	21	397
Amortisation charged for the year	361	108	469
Exchange adjustment	(8)	-	(8)
<b>At 31 March 2018</b>	729	129	858
Amortisation charged for the year	356	108	464
Exchange adjustment	(4)	-	(4)
<b>At 31 March 2019</b>	1,081	237	1,318
<b>Net carrying amount as at 31 March 2018</b>	1,097	205	1,302
<b>Net carrying amount as at 31 March 2019</b>	741	97	838

- (i) The right-of-use assets comprise buildings, office equipments and vessel and they are initially recorded at cost.

Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated amortisation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

- (ii) Amortisation is calculated on a straight-line basis over the estimated useful lives of the right-of-use assets. The principal amortisation periods used are as follows:

Buildings	2 to 5 years
Office equipments	3 to 5 years
Vessel	4 years

## Notes to the Financial Statement

31 March 2019

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

(b) Lease liabilities

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Non-current</b>				
Lease liabilities	59,144	1,233	462	915
<b>Current</b>				
Lease liabilities	27,658	931	452	455
Total lease liabilities	86,802	2,164	914	1,370

(i) The lease liabilities is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) The movements of lease liabilities during the financial year are as follows:

	Group	
	2019 RM'000	2018 RM'000
<b>At 1 April</b>	2,164	2,602
Addition	104,561	611
Acquisition of a subsidiary	1,000	-
Interest charged	3,621	118
Payments of:		
- Principal	(24,943)	(1,042)
- Interest	(3,621)	(118)
Exchange adjustment	4,020	(7)
<b>At 31 March</b>	86,802	2,164

	Company	
	2019 RM'000	2018 RM'000
<b>At 1 April</b>	1,370	1,498
Addition	-	326
Interest charged	62	73
Payments of:		
- Principal	(454)	(442)
- Interest	(62)	(73)
Exchange adjustment	(2)	(12)
<b>At 31 March</b>	914	1,370

(iii) The weighted average incremental borrowing rate applied to the lease liabilities is 5.27% (2018: 5.27%). The sensitivity analysis of the effect of the changes in interest rate is not significant, hence it is not presented.

## Notes to the Financial Statement

31 March 2019

**5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)**

(b) Lease liabilities (cont'd)

(iv) The currency exposure profile of lease liabilities are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	1,711	2,164	896	1,316
US Dollar	84,274	-	-	-
Australian Dollar	817	-	18	54
	86,802	2,164	914	1,370

(v) The Group and the Company elected to apply exemption for the lease of buildings expiring within 12 months under the Appendix C, paragraph 10 (c) of this Standard and exemption for the lease of equipments which is low value under the Appendix C, paragraph 9 (a) of this Standard. The lease payments are recognised as an expense on a straight line basis over the remaining lease term during the current financial year. The lease payments recognised as an expense for the Group and the Company are amounted to RM197,000 and RM79,000 respectively (2018: RM112,000 and RM8,000).

**6. INVESTMENT IN A JOINT VENTURE**

On 5 June 2017, ENRA Engineering & Construction Sdn. Bhd. ("EEC"), a wholly-owned subsidiary of the Company and Emrail Sdn. Bhd. had entered into a Shareholders Agreement to jointly establish a company to collaborate on providing total engineering solutions and services, civil works, rolling stock, project and asset management and maintenance services for rail and track transportation projects in Malaysia.

Subsequently, ENRA Emrail Sdn. Bhd. ("EEM") was established on 28 August 2017 with an issued and paid-up share capital of RM100 ordinary shares. EEC holds 51% of the shareholdings of EEM.

Details of the joint venture is as follow:

Name of company	Effective interest in equity		Principal activities
	2019 %	2018 %	
ENRA Emrail Sdn. Bhd.	51	51	Intended business has yet to commence

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Investment in a joint venture is accounted for in the consolidated financial statements using the equity method less any impairment losses. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted joint venture, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interests in an equity accounted joint venture, the carrying amount of that interests including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

## Notes to the Financial Statement

31 March 2019

### 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 RM'000	2018 RM'000
Unquoted equity shares, at cost	15,147	13,748
Less: Impairment losses	-	(499)
	15,147	13,249
Equity contributions to subsidiaries	53,064	-
	68,211	13,249

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) Equity contributions to subsidiaries are unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future for the purposes of providing the subsidiaries with a long term source of additional capital.
- (c) Acquisition/Incorporation of subsidiaries and subscription of shares in subsidiaries
- (i) Incorporation of ENRA Kimia (Australia) Pty Ltd ("EKA")

On 4 June 2018, EKA was incorporated with an issued and paid-up share capital of AUD100 made up of 100 ordinary shares of AUD1 each which are all held by ENRA Kimia Sdn. Bhd., a wholly-owned indirect subsidiary of the Company.

- (ii) Acquisition of International Chemicals Engineering Pty Ltd ("ICE")

On 13 June 2018, EKA had entered into a Share Sale Agreement ("SSA") to acquire 10,000 ordinary shares representing 100% equity interests in ICE, in the proportion of 70% from Mr. Christopher Johs Ulrik and 30% from Mr. Kenneth Inglis Lardner, for a cash consideration of up to AUD2,900,000 or approximately RM8,700,000 and the assumption of AUD1,600,000 or approximately RM4,700,000 of existing shareholders' loans in ICE. The maximum aggregate of these amounts is AUD4,500,000 or approximately RM13,500,000 ("Total Consideration").

The Total Consideration will be satisfied in the following manner:

- (a) AUD2,700,000 or approximately RM8,400,000 in cash upon completion of the sale and purchase of the shares (on 24 July 2018 representing AUD1,600,000 shareholders' loan to be subsequently recovered from ICE and the first consideration of AUD1,100,000 for the shares); and
- (b) The balance AUD1,800,000 ("contingent consideration") for the shares in cash up to AUD600,000 for each of the next three (3) years ("Earn Out Payment") payable in proportion to ICE meeting the target of achieving earnings before interest, tax, depreciation and amortisation ("EBITDA") in excess of the EBITDA Guarantee of AUD500,000 per year for the next three (3) years and up to AUD830,000.

Subsequently, ICE becomes an indirect wholly-owned subsidiary of the Company with effect from 24 July 2018 upon the completion of relevant sale and purchase conditions set out in the SSA.

The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between RM Nil to RM5,190,000.

## Notes to the Financial Statement

31 March 2019

### 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

#### (c) Acquisition/Incorporation of subsidiaries and subscription of shares in subsidiaries (cont'd)

##### (ii) Acquisition of International Chemicals Engineering Pty Ltd ("ICE") (cont'd)

The fair value of the contingent consideration arrangement of RM4,522,000 was estimated by applying income approach. The fair value estimates are based on assumed discount rate of 9.31% and assumed that ICE will achieved its profit target for the three financial years.

ICE is the supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems. In the eight months to 31 March 2019, ICE contributed the revenue of RM8,998,000 and profit of RM1,043,000. If the acquisition had been occurred on 1 April 2018, management estimates that consolidated revenue RM169,205,000 and consolidated loss for the financial year would have been RM26,275,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arouse on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2018.

##### (iii) Subscription of shares in ENRA Energy Sdn. Bhd. ("EESB")

On 24 December 2018, the Company has subscribed for an additional 7,500,000 ordinary shares at a total consideration of RM7,500,000 in EESB by way of capitalising of amount owing by EESB to the Company.

##### (iv) Subscription of shares in ENRA Kimia Sdn. Bhd. ("EKSB")

On 24 December 2018, EESB has subscribed for an additional 7,500,000 ordinary shares at a total consideration of RM7,500,000 in EKSB by way of capitalising of amount owing by EKSB to EESB.

##### (v) Acquisition of Abode Senior Living Ltd ("ASLL")

On 27 March 2019, ENRA Property (UK) Ltd ("EPUK"), a wholly-owned indirect subsidiary of the Company, had entered into a Shareholders' Agreement to acquire a controlling 51% stake in ASLL. EPUK will pay a cash consideration of £51 for its subscription of 51 new ordinary shares in ASLL. ASLL has two wholly-owned subsidiaries; Abode Caldecott Square Development Ltd ("ACSD") and Caldecott Square Rugby Ltd ("CSR"). ASLL Group will carry out a property development project on its freehold land into a retirement home living estate in Rugby, Warwickshire, the United Kingdom.

The acquisition of ASLL has no material impact to the Group's revenue and profit for the year.

##### (vi) Acquisition of ENRA IOL Sdn. Bhd. ("EIOL")

On 27 March 2019, ENRA Engineering And Fabrication Sdn. Bhd. ("EEFAB"), a wholly-owned indirect subsidiary of the Company, has acquired 51% equity interest in EIOL by way of subscription and allotment of new 510,000 ordinary shares for a total cash consideration of RM1,000,000.

The acquisition of EIOL has no material impact to the Group's revenue and profit for the year.

## Notes to the Financial Statement

31 March 2019

### 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) Acquisition/Incorporation of subsidiaries and subscription of shares in subsidiaries (cont'd)

The fair value and the carrying amounts of the identifiable assets and liabilities of ICE, ASLL and EIOL as at the date of acquisition were as follows:

	<b>Group 2019 RM'000</b>
<b>Assets/(Liabilities) acquired:</b>	
Property, plant and equipment	1,069
Right-of-use assets	888
Intangible assets	4,465
Inventories	4,382
Trade and other receivables	2,576
Cash and bank balances	1,138
Tax payables	(63)
Trade and other payables	(7,655)
Borrowings	(93)
Lease liabilities	(1,000)
Total identifiable assets	5,707
Goodwill on consolidation	4,429
Non-controlling interests	(553)
Purchase consideration	9,583
Contingent consideration	(4,522)
Purchase consideration satisfied by cash	5,061

The effects of the acquisition of ICE, ASLL and EIOL on cash flows of the Group are as follows:

	<b>Group 2019 RM'000</b>
<b>Effects of the acquisition on cash flows:</b>	
Purchase consideration satisfied by cash	5,061
Cash and cash equivalents acquired	(1,138)
Cash outflow on acquisition	3,923

(d) Disposal of interests in subsidiaries

- (i) On 14 May 2018, the Company had entered into a Share Sale Agreement to dispose its entire shareholding of 5,600,000 ordinary shares representing 70% equity interest in Landmark Zone Sdn. Bhd. ("LZSB") to Mr. Law Wai Cheong, a Director of LZSB, for a cash consideration of RM5,600,000 ("Disposal"). LZSB ceased to be a subsidiary of the Company following the completion of the Disposal on 15 May 2018.

## Notes to the Financial Statement

31 March 2019

**7. INVESTMENTS IN SUBSIDIARIES (cont'd)**

## (d) Disposal of interests in subsidiaries (cont'd)

- (ii) On 31 May 2018, ENRA Oil & Gas Services Sdn. Bhd., a wholly-owned indirect subsidiary of the Company, has disposed all its shares held in EEFAB comprising 10,000,000 ordinary shares to ENRA Engineering & Construction Sdn. Bhd. ("EEC"), a wholly-owned direct subsidiary of the Company, for a cash consideration of RM16,000,000 ("Reorganisation").

As a result of the Reorganisation, EEFAB has become a wholly-owned direct subsidiary of EEC and remains a wholly-owned indirect subsidiary of the Company. The Reorganisation was carried out to realign the Group structure to place all subsidiaries involved in engineering, construction and fabrication activities under EEC for organisational clarity. The Reorganisation which stems a new segment called engineering, construction and fabrication, has no impact on the financial statements of the Group.

- (iii) On 5 July 2018, following the completion of share sale agreements between the Company and Atar Irama Sdn. Bhd., the Company had disposed its entire equity interest in Nautical Gold Sdn. Bhd. ("NGSB"), Evergreen Sprint Sdn. Bhd. ("ESSB") and Essential Vista Sdn. Bhd. ("EVSB") for a cash consideration of RM133,921.

Details of the assets, liabilities and net cash outflow arising from the disposal of LZSB, EVSB, NGSB and ESSB during the financial year ended 31 March 2019 are as follows:

	<b>Group 2019 RM'000</b>
<b>Assets/(Liabilities) disposed:</b>	
Property, plant and equipment	57
Trade and other receivables	9,874
Cash and cash equivalents	8,045
Assets held for sale	141
Trade and other payables	(9,262)
Current tax liabilities	(71)
Hire purchase and lease creditors	(5)
Minority interests	(2,707)
Loss on disposal of subsidiaries	(338)
	<u>5,734</u>
Cash and cash equivalents disposed	(8,045)
Net outflow from disposal of subsidiaries	<u>(2,311)</u>

The gain on disposal of subsidiaries of the Company during the financial year is as follows:

	<b>Company 2019 RM'000</b>
Total disposal proceed	5,734
Cost of investments in LZSB, NGSB, ESSB and EVSB	(5,600)
Gain on disposal of the subsidiaries	<u>134</u>

## Notes to the Financial Statement

31 March 2019

### 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (e) The details of the subsidiaries, which are all incorporated in Malaysia except for ENRA Property (UK) Limited, Fitzrovia Developments Limited, Abode Senior Living Ltd, Abode Caldecott Square Development Ltd and Caldecott Square Rugby Ltd, which are incorporated in United Kingdom whereas ENRA Kimia (Australia) Pty Ltd and International Chemicals Engineering Pty Ltd, which are incorporated in Australia are as follows:

Name of company	Effective interest in equity		Principal activities
	2019 %	2018 %	
Tenderly Marketing Sdn. Bhd.	100	100	Dormant
Orlando Manufacturing Sdn. Bhd.	100	100	Dormant
Essential Vista Sdn. Bhd.*	-	100	Dormant
Evergreen Sprint Sdn. Bhd.*	-	100	Dormant
Nautical Gold Sdn. Bhd.*	-	100	Dormant
ENRA Labuan Sdn. Bhd.	100	100	Property development
Landmark Zone Sdn. Bhd.*	-	70	Property development
ENRA Land Sdn. Bhd.	100	100	Investment holding
ENRA Energy Solutions Sdn. Bhd. (f.k.a ENRA Energy Logistics Sdn. Bhd.)	100	100	Dormant
ENRA Energy Sdn. Bhd.	100	100	Investment holding
ENRA Engineering & Construction Sdn. Bhd.	100	100	Investment holding
<b>Subsidiaries of ENRA Energy Sdn. Bhd.</b>			
ENRA Kimia Sdn. Bhd.	100	100	Trading on gas and chemical related services
ENRA Power Systems Sdn. Bhd.	100	100	Dormant
ENRA Oil & Gas Services Sdn. Bhd.	100	100	Provision of project management of engineering, procurement, construction and commissioning and decommissioning for multi-discipline in oil & gas industries
<b>Subsidiaries of ENRA Oil &amp; Gas Services Sdn. Bhd.</b>			
ENRA Engineering And Fabrication Sdn. Bhd.	-	100	Business of engineering, procurement and construction of civil works, steel structure, mechanical, piping and electrical and instrumental installation
ENRA SPM Sdn. Bhd.	60	60	Leasing and provision of related services
ENRA NauticAWT Sdn. Bhd.	51	51	Provision of project management and technical services for well services and abandonment
ENRA ICON Sdn. Bhd.	70	70	Provision of engineering and oil and gas related industry

## Notes to the Financial Statement

31 March 2019

## 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (e) The details of the subsidiaries, which are all incorporated in Malaysia except for ENRA Property (UK) Limited, Fitzrovia Developments Limited, Abode Senior Living Ltd, Abode Caldecott Square Development Ltd and Caldecott Square Rugby Ltd, which are incorporated in United Kingdom whereas ENRA Kimia (Australia) Pty Ltd and International Chemicals Engineering Pty Ltd, which are incorporated in Australia are as follows: (cont'd)

Name of company	Effective interest in equity		Principal activities
	2019 %	2018 %	
<b>Subsidiaries of ENRA Land Sdn. Bhd.</b>			
ENRA Property (UK) Limited #	100	100	Investment holding
Prominent Archway Sdn. Bhd.	100	100	Intended business has yet to commence
<b>Subsidiaries of ENRA Property (UK) Limited</b>			
Fitzrovia Developments Limited #	75	75	Property development and trading
Abode Senior Living Ltd. ®	51	-	Property development
<b>Subsidiary of ENRA SPM Sdn. Bhd.</b>			
ENRA SPM Labuan Limited	60	60	Leasing and provision of related services
<b>Subsidiary of ENRA Engineering &amp; Construction Sdn. Bhd.</b>			
ENRA Engineering And Fabrication Sdn. Bhd.	100	-	Business of engineering, procurement and construction of civil works, steel structure, mechanical, piping and electrical and instrumental installation
<b>Subsidiaries of Abode Senior Living Ltd</b>			
Abode Caldecott Square Development Ltd ®	51	-	Property development
Caldecott Square Rugby Ltd ®	51	-	Property development
<b>Subsidiary of ENRA Engineering And Fabrication Sdn. Bhd.</b>			
Enra IOL Sdn. Bhd. ®	51	-	Business of supplying and installing energy saving lighting products
<b>Subsidiary of ENRA Kimia Sdn. Bhd.</b>			
Enra Kimia (Australia) Pty Ltd ®	100	-	Investment holding
<b>Subsidiary of Enra Kimia (Australia) Pty Ltd</b>			
International Chemicals Engineering Pty Ltd #	100	-	Supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems

\* Subsidiaries disposed during the financial year

# Subsidiaries audited by BDO Member Firms

® Subsidiaries consolidated based on management account provided for the financial year ended 31 March 2019

## Notes to the Financial Statement

31 March 2019

## 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

(f) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	<b>ENRA Engineering And Fabrication Sdn. Bhd. RM'000</b>	<b>ENRA SPM Sdn. Bhd. RM'000</b>	<b>Landmark Zone Sdn. Bhd. RM'000</b>	<b>Fitzrovia Developments Limited RM'000</b>	<b>ENRA IOL Sdn. Bhd. RM'000</b>
<b>2019</b>					
NCI percentage of ownership interest and voting interest	-	40%	-	25%	49%
Carrying amount of NCI	-	214	-	(3,048)	576
Profit/(Loss) allocated to NCI	-	174	543	(2,915)	(12)
Total comprehensive income/(loss)	-	174	543	(2,915)	(12)
Dividends paid to NCI	-	-	11,577	-	-
<b>2018</b>					
NCI percentage of ownership interest and voting interest	-	40%	30%	25%	-
Carrying amount of NCI	-	40	13,741	(123)	-
(Loss)/Profit allocated to NCI	(1,211)	39	489	(44)	-
Total comprehensive (loss)/income	(1,211)	39	489	(42)	-
Dividends paid to NCI	-	-	5,585	-	-

## Notes to the Financial Statement

31 March 2019

## 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

(f) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows: (cont'd)

The summarised financial information before intra-group elimination are as follows:

	<b>ENRA Engineering And Fabrication Sdn. Bhd. RM'000</b>	<b>ENRA SPM Sdn. Bhd. RM'000</b>	<b>Landmark Zone Sdn. Bhd. RM'000</b>	<b>Fitzrovia Developments Limited RM'000</b>	<b>ENRA IOL Sdn. Bhd. RM'000</b>
<b>2019</b>					
<b>Assets and liabilities</b>					
Non-current assets	-	82,746	-	-	-
Current assets	-	13,320	-	49,651	1,346
Non-current liabilities	-	(57,746)	-	-	-
Current liabilities	-	(37,812)	-	(47,757)	(171)
Net assets	-	508	-	1,894	1,175
<b>Results</b>					
Revenue	-	46,365	-	-	-
Profit/(Loss) for the financial year	-	436	-	(11,660)	(25)
Total comprehensive income/(loss)	-	436	-	(11,660)	(25)
Cash flows from/(used in) operating activities	-	30,719	-	(8,293)	(735)
Cash flows from investing activities	-	729	-	13,270	-
Cash flows (used in)/from financing activities	-	(29,987)	-	(5,745)	1,200
Net increase/(decrease) in cash and cash equivalents	-	1,461	-	(768)	465
<b>2018</b>					
<b>Assets and liabilities</b>					
Non-current assets	-	39	59	117	-
Current assets	-	7,159	55,104	54,388	-
Non-current liabilities	-	(104)	(21)	-	-
Current liabilities	-	(6,994)	(8,632)	(54,997)	-
Net assets/(liabilities)	-	100	46,510	(492)	-

## Notes to the Financial Statement

31 March 2019

### 7. INVESTMENTS IN SUBSIDIARIES (cont'd)

(f) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows: (cont'd)

The summarised financial information before intra-group elimination are as follows: (cont'd)

	<b>ENRA Engineering And Fabrication Sdn. Bhd. RM'000</b>	<b>ENRA SPM Sdn. Bhd. RM'000</b>	<b>Landmark Zone Sdn. Bhd. RM'000</b>	<b>Fitzrovia Developments Limited RM'000</b>	<b>ENRA IOL Sdn. Bhd. RM'000</b>
<b>2018</b>					
<b>Results</b>					
Revenue	11,549	1,079	16,835	-	-
(Loss)/Profit for the financial year	(7,808)	97	1,631	(175)	-
Total comprehensive (loss)/income	(7,808)	97	1,631	(165)	-
Cash flows (used in)/from operating activities	-	(4,588)	1,985	(7,950)	-
Cash flows from/(used in) investing activities	-	6,159	(9,923)	17,481	-
Cash flows used in financing activities	-	(39)	(18,630)	(10,734)	-
Net increase/(decrease) in cash and cash equivalents	-	1,532	(26,568)	(1,203)	-

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

## Notes to the Financial Statement

31 March 2019

**7. INVESTMENTS IN SUBSIDIARIES (cont'd)**

- (g) The annual impairment review conducted at the end of the financial year is performed by comparing the subsidiaries' carrying amounts and their recoverable amounts determined based on value in use calculation using cash flow projections covering five years period with a terminal value based on year five results. There is no impairment loss to be recognised in the current financial year.

The pre-tax discount rate applied to the cash flow projections and the forecasted growth rate used to extrapolate cash flows beyond the five years period are as follows:

	Company	
	2019	2018
Growth rate	2.5%	1.0%
Pre-tax discount rate	7.0% -7.5%	8.5%

Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based its determination of the subsidiaries' recoverable amounts would not cause the subsidiaries' carrying amounts to further exceed their recoverable amounts

**8. INVESTMENT IN AN ASSOCIATE**

	Group	
	2019 RM'000	2018 RM'000
Unquoted shares at cost	30	15
Share of post-acquisition reserves	(13)	(15)
	17	-

The summarised financial information of the associate is as follows:

	Group	
	2019 RM'000	2018 RM'000
<b>Assets and liabilities</b>		
Total assets	743	430
Total liabilities	(682)	(763)
<b>Results</b>		
Revenue	1,092	-
Profit/(Loss) for the financial year	7	(67)

## Notes to the Financial Statement

31 March 2019

### 8. INVESTMENT IN AN ASSOCIATE (cont'd)

Details of the associate is as follow:

Name of company	Effective interest in equity		Principal activities
	2019 %	2018 %	
Perunding ENRA Sdn. Bhd.	30	30	Project management and engineering, procurement and construction contracts

On 13 June 2018, ENRA Engineering Construction Sdn. Bhd. ("EEC") increased its investment in Perunding ENRA Sdn. Bhd. from RM15,000 to RM50,000 by way of capitalizing of RM50,000 from the advances owing by Perunding ENRA Sdn. Bhd. to EEC. On 26 June 2018, EEC transferred 35,000 shares to a Director of a subsidiary at a cash consideration of RM35,000.

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control or joint control, over the financial and operating policy decisions.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted associates, after adjustments, if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interests in an equity accounted associate, the carrying amount of that interests including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The Group has recognised its share of losses up to the cost of investment and stopped recognising its remaining share of losses since there is no further obligation in respect of those losses using the equity method of accounting.

### 9. INTANGIBLE ASSETS

Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are assessed for any indication that the asset may be impaired and are amortised on a straight line basis over their estimated economic useful lives, not exceeding ten (10) years. Intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the intangible asset might be impaired.

Group	Balance as at 1.4.2018 RM'000	Acquisition of subsidiaries (Note 7(c)(vi)) RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.3.2019 RM'000
<b>Carrying amount</b>				
Goodwill (Note 10)	8,505	4,429	-	12,934
Customer relationships	-	2,883	(193)	2,690
Trademark and trade names	-	1,582	-	1,582
	8,505	8,894	(193)	17,206

## Notes to the Financial Statement

31 March 2019

## 9. INTANGIBLE ASSETS (cont'd)

	← At 31.3.2019 →		
	Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill	12,934	-	12,934
Customer relationships	2,883	(193)	2,690
Trademark and trade names	1,582	-	1,582
	17,399	(193)	17,206

## 10. GOODWILL ON CONSOLIDATION

	Group	
	2019 RM'000	2018 RM'000
At 1 April	8,505	8,505
Acquisition of subsidiaries	4,429	-
At 31 March (Note 9)	12,934	8,505

- (a) Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortised, but instead, it is reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Goodwill arising from the acquisition of ASLL, ICE and EIOL during the year have been allocated to property development division, energy services division and engineering, construction and fabrication division for annual impairment testing and at other times when such indicators exist. This requires an estimation of the recoverable amount to which goodwill is allocated.

The annual impairment review conducted at the end of the financial year is performed by comparing the cash generating unit's carrying amount and its recoverable amount determined based on value in use calculation using cash flow projections covering five years period with a terminal value based on year five results. There is no impairment loss to be recognised in the current financial year.

- (b) Goodwill has been allocated to the identified cash generating unit ("CGU") according to relevant operating segments based on the geographical location of customers as follows:

	Group	
	2019 RM'000	2018 RM'000
Malaysia	8,906	8,505
UK	24	-
Australia	4,004	-
	12,934	8,505

## Notes to the Financial Statement

31 March 2019

### 10. GOODWILL ON CONSOLIDATION (cont'd)

- (b) Goodwill has been allocated to the identified cash generating unit ("CGU") according to relevant operating segments based on the geographical location of customers as follows: (cont'd)

For the purpose of impairment testing, the recoverable amount of a CGU is determined based on its value-in-use. The value-in-use is determined by discounting the pre-tax cash flows based on financial budgets prepared by the Group covering a five-year period based on the following key assumptions:

	2019	2018
Growth rates	2.5%	1.0%
Pre-tax discount rate	7.0% - 7.5%	8.5%

#### Sensitivity to changes in assumptions

The management believes that a reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to further exceed its recoverable amount.

For the purpose of impairment testing, goodwill is allocated to the operating divisions of the Group, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Goodwill has been allocated to the CGU of the Group. The recoverable amount of a CGU requires management's estimate and is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period.

Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amounts of the remaining goodwill assessed as at 31 March 2019 as their recoverable amounts were in excess of their carrying amounts. Management believes that there is no reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable amount, which would cause the CGU's carrying amount to materially exceed its recoverable amount.

### 11. DEFERRED TAXATION

- (a) The deferred taxation are made up of the following:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 April	(126)	1,828	-	-
Recognised in profit or loss (Note 32)	(77)	(1,952)	-	-
Exchange adjustment	(4)	(2)	-	-
At 31 March	(207)	(126)	-	-
Presented by:				
Deferred tax assets, net	76	117	-	-
Deferred tax liabilities, net	(283)	(243)	-	-
	(207)	(126)	-	-

## Notes to the Financial Statement

31 March 2019

## 11. DEFERRED TAXATION (cont'd)

(b) The components and movements of deferred tax assets and liabilities during the financial year are as follows:

**Deferred tax assets of the Group**

	Unutilised tax losses RM'000	Provision RM'000	Total RM'000
At 1 April 2017	79	1,850	1,929
Recognised in profit or loss	40	(1,850)	(1,810)
Exchange adjustment	(2)	-	(2)
At 31 March 2018	117	-	117
Recognised in profit or loss	(115)	78	(37)
Exchange adjustment	(2)	(2)	(4)
At 31 March 2019	-	76	76

**Deferred tax liabilities of the Group**

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Others RM'000	Total RM'000
At 1 April 2017	(101)	-	-	(101)
Recognised in profit or loss	(111)	-	(31)	(142)
At 31 March 2018	(212)	-	(31)	(243)
Recognised in profit or loss	(73)	(186)	219	(40)
At 31 March 2019	(285)	(186)	188	(283)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Unutilised tax losses	27,450	12,329	3,735	763
Unabsorbed capital allowances	408	433	230	170
Other deductible temporary differences	19,026	1,275	287	547
	46,884	14,037	4,252	1,480

Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profit of the Company and the subsidiaries would be available against which the deductible temporary differences can be utilised.

For the Malaysian entities, the unabsorbed tax losses up to the year of assessment 2018 shall be deductible until year of assessment 2025. The unabsorbed tax losses for the year of assessment 2019 onwards will expire in 7 years. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

## Notes to the Financial Statement

31 March 2019

## 12. INVENTORIES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>At cost</b>				
Property held for sale	21,176	51,976	-	-
Completed properties	7,616	10,566	7,616	-
Inventories in transit	2,975	1,586	-	-
Consumables	8	20	-	-
Work in progress	80	-	-	-
Finished goods	4,092	9,446	-	-
<b>At net realisable value</b>				
Completed properties	47,323	-	-	-
	83,270	73,594	7,616	-

(a) Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula. The cost comprises all cost of purchases plus the cost of bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(b) Inventories of the Group amounting to RM80,997,000 (2018: RM39,889,000) have been expensed to the statements of profit or loss and other comprehensive income during the financial year.

(c) Included in property held for sale are borrowing costs capitalised during the financial year of RM194,000 (2018: RM612,000) at 10.20% (2018: 4.75%) per annum.

(d) During the year, the Group has written down the completed properties of RM9,276,000 (2018: Nil).

(e) In the previous financial year, the property held for sale of the Group was charged to a financial institution for banking facility granted to the Group as set out in Note 26(c) to the financial statements.

## 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Trade receivables</b>				
Trade receivables	33,976	19,974	-	2,691
Retention sum	352	352	-	-
Stakeholder sum	-	8,154	-	-
Less: Impairment losses	(17,202)	(628)	-	(34)
	17,126	27,852	-	2,657

## Notes to the Financial Statement

31 March 2019

## 13. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Other receivables and deposits</b>				
Amounts due from subsidiaries	-	-	60,182	77,912
Amount due from an associate	619	91	-	-
Other receivables	5,832	5,610	181	81
Deposits	537	1,864	143	154
	6,988	7,565	60,506	78,147
<b>Total receivables, net of prepayments</b>	24,114	35,417	60,506	80,804
Prepayments	9,767	27,569	846	840
Progress billings in respect of property development	-	(16)	-	-
	9,767	27,553	846	840
	33,881	62,970	61,352	81,644

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 30 to 60 days (2018: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) The amounts due from subsidiaries represent advances and payments on behalf, which bear interest at 6.41% (2018: 6.23%) per annum and payable within next twelve months in cash and cash equivalents.

The amount due from an associate represent advances and payments on behalf, which are interest free and payable within next twelve month in cash and cash equivalents.

- (c) The currency exposure profile of receivables (exclude prepayments and accrued billings in respect of property development) are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	9,602	33,959	8,122	36,359
US Dollar	8,255	1,252	-	-
British Pound	4,788	206	52,384	44,445
Australian Dollar	1,469	-	-	-
	24,114	35,417	60,506	80,804

- (d) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses.

## Notes to the Financial Statement

31 March 2019

### 13. TRADE AND OTHER RECEIVABLES (cont'd)

- (e) The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the average historical bad debts write-offs rate and general rate based on the length of time invoices are overdue.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (gross domestic product (GDP)) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate expected loss rates.

Expected credit loss provision for trade receivables as at 31 March 2019 are as follows:

<b>Group 2019</b>	<b>Gross carrying amount RM'000</b>	<b>Total allowance RM'000</b>	<b>Net balance RM'000</b>
Current (not past due)	13,810	(1)	13,809
Past due			
- 1 to 30 days	3,243	(1)	3,242
- 31 to 60 days	61	-*	61
- 61 to 90 days	-	-	-
- More than 90 days	4	-*	4
	<u>17,118</u>	<u>(2)</u>	<u>17,116</u>
<b>Credit impaired</b>			
Individually impaired	17,210	(17,200)	10
	<u>34,328</u>	<u>(17,202)</u>	<u>17,126</u>

\* The amount is immaterial to disclose.

## Notes to the Financial Statement

31 March 2019

## 13. TRADE AND OTHER RECEIVABLES (cont'd)

(e) Expected credit loss provision for trade receivables as at 31 March 2019 are as follows: (cont'd)

<b>Group 2018</b>	<b>Gross carrying amount RM'000</b>	<b>Total allowance RM'000</b>	<b>Net balance RM'000</b>
Current (not past due)	5,566	-*	5,566
Past due			
- 1 to 30 days	-	-	-
- 31 to 60 days	-	-	-
- 61 to 90 days	1,689	-*	1,689
- More than 90 days	10,337	(1)	10,336
	12,026	(1)	12,025
<b>Credit impaired</b>			
Individually impaired	10,888	(627)	10,261
	28,480	(628)	27,852
<b>Company 2018</b>	<b>Gross carrying amount RM'000</b>	<b>Total allowance RM'000</b>	<b>Net balance RM'000</b>
Current (not past due)	537	-*	537
Past due			
- 1 to 30 days	-	-	-
- 31 to 60 days	-	-	-
- 61 to 90 days	433	-*	433
- More than 90 days	1,687	-*	1,687
	2,120	-*	2,120
<b>Credit impaired</b>			
Individually impaired	34	(34)	-
	2,691	(34)	2,657

\* The amount is immaterial to disclose.

The Company does not have trade receivables during the year.

- (f) As at the end of each reporting period, no collateral has been obtained by the Group. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivables of the Group.
- (g) During the financial year, the Group did not renegotiate the terms of any trade receivables.

## Notes to the Financial Statement

31 March 2019

## 13. TRADE AND OTHER RECEIVABLES (cont'd)

(h) The reconciliation of movements in allowance for impairment accounts is as follows:

Group	Trade receivables		
	Lifetime ECL allowance RM'000	Specific allowance RM'000	Total allowance RM'000
<b>At 1 April 2018 under FRS 139</b>	-	34	34
Effects of MFRS 9	1	593	594
Opening impairment loss of trade receivables in accordance with MFRS 9	1	627	628
Charge for the year	1	16,607	16,608
Written off	-	(34)	(34)
<b>At 31 March 2019</b>	<b>2</b>	<b>17,200</b>	<b>17,202</b>
<b>At 1 April 2017 under FRS 139</b>	-	34	34
Effects of MFRS 9	-	6	6
Opening impairment loss of trade receivables in accordance with MFRS 9	-	40	40
Charge for the year	1	587	588
<b>At 31 March 2018</b>	<b>1</b>	<b>627</b>	<b>628</b>
Company	Trade receivables		
	Lifetime ECL allowance RM'000	Specific allowance RM'000	Total allowance RM'000
<b>At 1 April 2018 under FRS 139</b>	-	34	34
Effects of MFRS 9	-	-	-
Opening impairment loss of trade receivables in accordance with MFRS 9	-	34	34
Charge for the year	-	-	-
Written off	-	(34)	(34)
<b>At 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 1 April 2017 under FRS 139</b>	-	34	34
Effects of MFRS 9	-	-	-
Opening impairment loss of trade receivables in accordance with MFRS 9	-	34	34
Charge for the year	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>34</b>	<b>34</b>

Specific allowance refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of financial year.

## Notes to the Financial Statement

31 March 2019

**13. TRADE AND OTHER RECEIVABLES (cont'd)**

- (i) In the previous financial year, included in the trade receivables were amounts to be set off against with the purchasers of the investment properties of approximately RM3,000,000.
- (j) Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group assessed whether there has been a significant increase in credit risk for financial assets by comparing the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

No expected credit loss is recognised arising from other receivables of the Group and the Company as it is negligible.

- (k) Information on financial risks of trade and other receivables is disclosed in Note 42 to the financial statements.

**14. CONTRACT ASSETS**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Aggregate pre-contract costs incurred to date	2,387	28,217
Add: Attributable (loss)/profit	(19)	7,155
	<u>2,368</u>	<u>35,372</u>
Less: Progress billings	(2,368)	(29,395)
	<u>-</u>	<u>5,977</u>

Contract assets represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied. No impairment is required as the amount is negligible.

There was no contract assets and liabilities during the financial year.

**15. DERIVATIVE ASSETS**

	<b>2019</b>		<b>2018</b>	
	<b>Contract/ Notional amount RM'000</b>	<b>Fair value of derivatives RM'000</b>	<b>Contract/ Notional amount RM'000</b>	<b>Fair value of derivatives RM'000</b>
<b>Group/Company</b>				
<b>Current</b>				
Forward foreign currency selling contracts	30,421	512	44,562	111

## Notes to the Financial Statement

31 March 2019

### 15. DERIVATIVE ASSETS (cont'd)

The Company uses forward foreign currency selling contracts to manage some of the foreign currency transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for period consistent with foreign currency transaction exposure and fair value changes exposure. The Company does not apply hedge accounting.

Forward foreign currency selling contracts are used to hedge the Company's advance to a subsidiary denominated in British Pound for which firm commitments existed at the reporting date.

As disclosed in Note 31 to the financial statements, the Group and the Company recognised a gain of RM401,000 (2018: RM38,000) arising from the fair value changes in derivatives. The fair value changes are mark to market of the outstanding foreign exchange forward. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 41(d)(v) to the financial statements.

### 16. CASH AND BANK BALANCES AND SHORT TERM FUNDS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Fixed deposits with licensed banks	14,604	7,026	8,089	2,799
Cash and bank balances	9,125	19,075	766	7,294
	23,729	26,101	8,855	10,093
Short term funds				
At fair value through profit or loss				
- Investment in fixed income trust funds in Malaysia	6,236	20,088	6,236	17
	29,965	46,189	15,091	10,110

- (a) Investment in fixed income trust funds in Malaysia represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.
- (b) In the previous financial year, included in the Group's cash and bank balances is an amount of RM4,391,000 held under the Housing Development Account pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015, which is not available for general use by the Group.
- (c) Certain deposits with licensed banks are pledged to licensed banks as security for credit facilities granted to the Group and the Company as set out in Notes 24, 26 and 27 to the financial statements. The fixed deposits of the Group and of the Company bear average interest of 2.99% (2018: 2.07%) and 3.07% (2018: 3.19%) per annum respectively. The fixed deposits of the Group and of the Company have maturity period of one (1) month to ten (10) months (2018: one (1) month to forty-eight (48) months).
- (d) Information on financial risks of cash and bank balances and short term funds is disclosed in Note 42 to the financial statements.

## Notes to the Financial Statement

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**16. CASH AND BANK BALANCES AND SHORT TERM FUNDS (cont'd)**

(e) The currency exposure profile of cash and bank balances and short term funds are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	25,447	43,494	15,091	10,110
US Dollar	2,427	995	-	-
Australian Dollar	1,972	-	-	-
British Pound	96	1,676	-	-
Singapore Dollar	23	24	-	-
	<u>29,965</u>	<u>46,189</u>	<u>15,091</u>	<u>10,110</u>

(f) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these institution were negligible.

(g) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Cash and bank balances</b>				
Fixed deposits with licensed banks	14,604	7,026	8,089	2,799
Cash and bank balances	9,125	19,075	766	7,294
Short term funds	6,236	20,088	6,236	17
<b>As reported in statements of financial position</b>	<u>29,965</u>	<u>46,189</u>	<u>15,091</u>	<u>10,110</u>
Less:				
Bank overdrafts (Note 24)	(683)	(18,421)	-	(18,421)
Fixed deposits pledged to licensed banks	(6,446)	(5,798)	-	(1,799)
<b>As reported in statements of cash flows</b>	<u>22,836</u>	<u>21,970</u>	<u>15,091</u>	<u>(10,110)</u>

## Notes to the Financial Statement

31 March 2019

### 17. DISPOSAL GROUP HELD FOR SALE

	Assets		Liabilities	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Group</b>				
At 1 April	85,156	85,156	7	7
Disposal	(85,156)	-	(7)	-
At 31 March	-	85,156	-	7
<b>Company</b>				
At 1 April	85,575	85,575	-	-
Disposal	(85,575)	-	-	-
At 31 March	-	85,575	-	-

As at 31 March 2019, the assets and liabilities of the disposal are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Assets classified as held for sale</b>				
Property, plant and equipment	-	1,678	-	1,678
Investment properties	-	91,324	-	90,575
Amounts due from subsidiaries	-	-	-	560
	-	93,002	-	92,813
Less: Impairment losses	-	(7,846)	-	(7,238)
	-	85,156	-	85,575
<b>Liabilities classified as held for sale</b>				
Other payables	-	(7)	-	-

- (a) The investment properties and property, plant and equipment of the Group and of the Company under assets classified held for sale are charged to financial institutions for banking facilities granted to the Group and the Company as set out in Notes 24 and 26 to the financial statements.
- (b) The impairment losses of the Group and of the Company amounting to RM7,846,000 and RM7,238,000 respectively are as a result of writing down the investment properties and investment assets to fair value less costs to sell.
- (c) The asset sales is completed during the financial year as set out in Notes 43(a).

## Notes to the Financial Statement

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## 18. SHARE CAPITAL

	Group and Company	
	Number of shares RM'000	Amount RM'000
Issued and fully paid ordinary shares:		
At 31 March 2018/31 March 2019	136,208	144,744

In the previous financial year, with the introduction of the new Companies Act 2016 (the "Act") effective 31 January 2017, the concept of authorised share capital and par value of share capital had been abolished. Consequently, balances within the share premium account have been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the new Act. Notwithstanding this provision, the Company has elected to utilise its share premium account of RM8,536,000 for purposes stipulated in Section 618(3) of the new Act for a transitional period of 24 months from 31 January 2017.

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

## 19. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	Group	
	Number of shares RM'000	Amount RM'000
Issued and fully paid redeemable convertible preference share ("RCPS"):		
At 1 April 2017/ 31 March 2018	104	409
Issued during the year	696	2,477
31 March 2019	800	2,886

The carrying amount of the liability component of RCPS at the reporting date is arrived at as follow:

	Group	
	2019 RM'000	2018 RM'000
Face value of RCPS	8,096	1,057
Less: Equity component	(2,886)	(409)
Liability component at initial recognition	5,210	648
At 1 April	703	648
Issued during the year	4,561	-
Unwinding of discount	316	55
At 31 March	5,580	703

On 2 March 2017, ENRA Labuan Sdn. Bhd. ("ELSB"), a wholly-owned direct subsidiary of the Company, had entered into a Subscription Agreement with a third party subscriber for the issuance and subscription of 800,000 Redeemable Convertible Preference Shares Series A ("RCPS-A") at the subscription price of RM10.12 per RCPS-A amounting to RM8,096,000. ELSB shall utilise the said subscription amount solely for the purpose of or in relation to their acquisition of land (that is to be reclaimed) in Labuan.

## Notes to the Financial Statement

31 March 2019

### 19. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (cont'd)

On 2 March 2017, ELSB had also entered into a Shareholder Agreement with the third party subscriber of the RCPS-A and the Company, being its shareholder to regulate the management of the ELSB, the relationships of each other and certain aspects of the affairs of, and their dealings with ELSB.

The salient features of the RCPS-A are as follows:

- (i) The RCPS-A has a tenure of 6 years from the issue date and matures on the business day immediately preceding the 6th anniversary of the said issue date;
- (ii) The RCPS-A is convertible at any time at the option of the holder in accordance with the terms of the Subscription Agreement. One new ordinary share will be issued as fully paid upon the conversion of one RCPS-A. All outstanding RCPS-A shall be automatically converted upon maturity of the RCPS;
- (iii) ELSB shall in accordance with the provisions of the Companies Act 2016 and the terms of the Subscription Agreement redeem all or any of the RCPS-A;
- (iv) The RCPS-A carries the right to receive non-cumulative dividends at the same rate as the ordinary shares of ELSB. The RCPS-A ranks in priority to the ordinary share in respect of terms of the right to receive the dividend;
- (v) The RCPS-A ranks *pari passu inter se* in respect of entitlements to dividends, rights, allotment or other distributions should the entitlement date for such dividends, rights, allotments or other distributions be declared after the RCPS-A are issued; and
- (vi) The RCPS-A is not to be listed but is transferrable in accordance with the terms of the Shareholder Agreement.

### 20. TREASURY SHARES

The shareholders of the Company, by way of an ordinary resolution passed at the annual general meeting held on 19 September 2007, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back").

The shares of the Company repurchased were held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 in Malaysia.

As at 31 March 2019, the Group held 1,289,400 (2018: 1,289,400) of the Company's treasury shares at a total cost of RM1,199,000 (2018: RM1,199,000).

### 21. NON-DISTRIBUTABLE RESERVES

	Group	
	2019 RM'000	2018 RM'000
Capital reserve	275	275
Exchange translation reserve	53	92
	328	367

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

## Notes to the Financial Statement

31 March 2019

## 22. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Other payable	-	104	-	-
Contingent consideration for business acquisition	2,613	-	-	-
	2,613	104	-	-
<b>Current</b>				
<b>Trade payables</b>				
Third parties	12,944	19,002	-	-
<b>Other payables</b>				
Amounts due to subsidiaries	-	-	5,129	5,657
Other payables	2,037	3,547	-	-
Contingent consideration for business acquisition	1,730	-	-	-
Accruals	3,118	5,408	310	1,444
Deposits and advances received	92	11,822	77	10,532
Amounts owing to related parties	11,855	4,735	-	-
	18,832	25,512	5,516	17,633
	31,776	44,514	5,516	17,633

- (a) Trade and other payables except for contingent consideration are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 30 days to 60 days (2018: 30 days to 60 days).
- (c) Amounts owing to related parties represent the advances received from non-controlling interests, amounting to RM11,855,000 (2018: RM4,735,000) which are unsecured, non-interest bearing and payable on demand in cash and cash equivalents.
- (d) Included in the trade and other payables of approximately RM3,000,000 in last financial year have been set off against with the purchasers of the investment properties during the year.
- (e) Amounts due to subsidiaries represents payments on behalf, which are unsecured, interest free and payable within next twelve months in cash and cash equivalents.

## Notes to the Financial Statement

31 March 2019

## 22. TRADE AND OTHER PAYABLES (cont'd)

(f) The currency exposure profile of payables are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	8,543	30,401	5,516	17,633
US Dollar	7,550	491	-	-
British Pound	12,984	4,873	-	-
Euro	5,142	-	-	-
Australian Dollar	170	-	-	-
Singapore Dollar	-	8,853	-	-
	34,389	44,618	5,516	17,633

## 23. BORROWINGS

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Non-current liabilities</b>					
Hire-purchase and lease creditors	25	282	698	31	57
Term loans	26	-	2,700	-	2,700
		282	3,398	31	2,757
<b>Current liabilities</b>					
Bank overdrafts	24	683	18,421	-	18,421
Hire-purchase and lease creditors	25	241	219	27	26
Term loans	26	9,778	14,065	-	8,319
Other borrowings	27	5,466	39,759	3,000	19,700
		16,168	72,464	3,027	46,466
		16,450	75,862	3,058	49,223
<b>Total borrowings</b>					
Bank overdrafts	24	683	18,421	-	18,421
Hire-purchase and lease creditors	25	523	917	58	83
Term loans	26	9,778	16,765	-	11,019
Other borrowings	27	5,466	39,759	3,000	19,700
		16,450	75,862	3,058	49,223

## Notes to the Financial Statement

31 March 2019

**23. BORROWINGS (cont'd)**

The currency exposure profile of borrowings are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	6,619	51,026	3,058	49,223
US Dollar	-	6,199	-	-
British Pound	9,778	5,745	-	-
Australian Dollar	53	-	-	-
Euro	-	12,892	-	-
	16,450	75,862	3,058	49,223

**24. BANK OVERDRAFTS**

The bank overdrafts of the Group and of the Company are secured by the following:

- (a) in the previous financial year, Loan Agreement cum Deed of Assignment of RM70,000,000 over assets held for sale of the Group and the Company with a carrying amount of RM79,996,000 and RM79,855,000 respectively and a first party first legal charge;
- (b) in the previous financial year, specific debenture of RM70,000,000 by way of a fixed and floating charge over the assets held for sale of the Group and of the Company with a carrying amount of RM79,996,000 and RM79,855,000 respectively, all the borrower's rights, interests and benefits in and under the property including all sales proceeds, rental income, other revenue, claims and any undertaking relating to the property;
- (c) first party pledge of fixed deposits equivalent to one (1) to twelve (12) months' interest servicing on the facility (Note 16); and
- (d) guaranteed by way of corporate guarantee by the Group.

Information on financial risks of bank overdrafts is disclosed in Note 42 to the financial statements.

## Notes to the Financial Statement

31 March 2019

## 25. HIRE-PURCHASE AND LEASE CREDITORS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Minimum hire-purchase and lease payments:				
- not later than one (1) year	262	267	29	29
- later than one (1) year not later than five (5) years	281	649	32	61
- later than five (5) years	18	128	-	-
Total minimum hire-purchase and lease payments	561	1,044	61	90
Less: Future interest charges	(38)	(127)	(3)	(7)
Present value of hire-purchase and lease payments	523	917	58	83
Repayable as follows:				
<b>Current liabilities:</b>				
- not later than one (1) year	241	219	27	26
<b>Non-current liabilities:</b>				
- later than one (1) year not later than five (5) years	264	577	31	57
- later than five (5) years	18	121	-	-
	282	698	31	57
	523	917	58	83

Information on financial risks of hire-purchase and lease creditors is disclosed in Note 42 to the financial statements.

## 26. TERM LOANS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Term loan I	-	5,650	-	5,650
Term loan II	-	1,469	-	1,469
Term loan III	-	3,900	-	3,900
Term loan IV	-	5,746	-	-
Term loan V	9,778	-	-	-
	9,778	16,765	-	11,019
Repayable as follows:				
<b>Current liabilities:</b>				
- not later than one (1) year	9,778	14,065	-	8,319
<b>Non-current liabilities:</b>				
- later than one (1) year and not later than five (5) years	-	2,700	-	2,700
	9,778	16,765	-	11,019

## Notes to the Financial Statement

31 March 2019

**26. TERM LOANS (cont'd)**

- (a) Term loan I, II, III and IV are fully settled during the financial year.
- (b) Term loan V is repayable by a full amount of GBP1,820,000 by the end of the twelfth (12th) month of the term commencement from 23 March 2019.
- (c) In previous financial year, the term loans were secured by the following:
- (i) a charge over the carrying amounts of the Group's and of the Company's assets held for sale amounting to RM85,156,000 and RM85,575,000 respectively, as disclosed in Note 17 to the financial statements;
  - (ii) a charge over the carrying amount of the Group's property held for sale in London amounting to RM51,976,000 as disclosed in Note 12 to the financial statements; and
  - (iii) first/third party pledge of fixed deposits equivalent to three (3) months' interest servicing on the facilities (Note 16).
- (d) Information on financial risks of term loans and the remaining maturities is disclosed in Note 42 to the financial statements.

**27. OTHER BORROWINGS**

- (a) The other borrowings relates to trade and working capital credit facilities of the Group that are secured by:
- (i) a corporate guarantee from the Company as disclosed in Note 38 to the financial statements;
  - (ii) fresh negative pledge; and
  - (iii) pledge of fixed deposits (Note 16).
- (b) Information on financial risks of other borrowings and their remaining maturities is disclosed in Note 42 to the financial statements.

**28. REVENUE**

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Continuing operations</b>				
<b>Revenue from contracts with customers</b>				
Sale of goods	101,929	43,210	-	-
Property development revenue	-	16,835	-	-
Sale of completed properties	2,891	-	2,891	-
Contract revenue	3,260	11,732	-	-
Services rendered:				
- logistic	1,266	2,358	-	-
- energy	23,712	1,151	-	-
	133,058	75,286	2,891	-
<b>Revenue from leases</b>				
Leasing	31,648	-	-	-
	164,706	75,286	2,891	-

## Notes to the Financial Statement

31 March 2019

## 28. REVENUE (cont'd)

<b>Group 31 March 2019</b>	<b>Investment properties and others RM'000</b>	<b>Property development RM'000</b>	<b>Energy services RM'000</b>	<b>Engineering, construction and fabrication RM'000</b>	<b>Total RM'000</b>
<b>Major product and service line</b>					
Sale of goods	-	-	101,929	-	101,929
Sale of completed properties	-	2,891	-	-	2,891
Contract revenue	-	-	-	3,260	3,260
Leasing	-	-	31,648	-	31,648
Services rendered:					
- logistic	-	-	-	1,266	1,266
- energy	-	-	23,712	-	23,712
Revenue from external customers	-	2,891	157,289	4,526	164,706
<b>Timing of revenue recognition</b>					
Transferred over time	-	-	53,721	3,260	56,981
Transferred at a point in time	-	2,891	103,568	1,266	107,725
Revenue from external customers	-	2,891	157,289	4,526	164,706
<b>Company 31 March 2019</b>					
<b>Major product and service line</b>					
Sale of completed properties	-	2,891	-	-	2,891
<b>Timing of revenue recognition</b>					
Transferred at a point in time	-	2,891	-	-	2,891

## Notes to the Financial Statement

31 March 2019

## 28. REVENUE (cont'd)

Group 31 March 2018	Investment properties and others RM'000	Property development RM'000	Energy services RM'000	Engineering, construction and fabrication RM'000	Total RM'000
<b>Major product and service line</b>					
Sale of goods	-	-	43,210	-	43,210
Revenue from property development	-	16,835	-	-	16,835
Contract revenue	-	-	-	11,732	11,732
Services rendered:					
- logistic	-	-	2,358	-	2,358
- energy	-	-	1,151	-	1,151
Revenue from external customers	-	16,835	46,719	11,732	75,286
<b>Timing of revenue recognition</b>					
Transferred over time	-	-	-	11,732	11,732
Transferred at a point in time	-	16,835	46,719	-	63,554
Revenue from external customers	-	16,835	46,719	11,732	75,286

## (a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the products have been transferred to the customer and coincides with the delivery of products and acceptance by customers.

Some contracts for the sale of goods provide customers with a right of return the goods within a specified period. Under MFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group uses the expected value method to estimate goods that will not be returned.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve months.

## (b) Logistic and energy services income

Logistic and energy services income is recognised at a point in time and over time depend on the nature of the services. The income is recognised at a point in time when the products have been transferred or the services have been rendered to the customer and coincide with the delivery of products and services and acceptance by customers. The income is recognised over time as income when the customers receives and consumes the benefits.

## Notes to the Financial Statement

31 March 2019

### 28. REVENUE (cont'd)

#### (c) Revenue from property development and construction contracts

Contracts with customers include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

#### (d) Leasing

Revenue from leasing is recognised over time throughout the leasing period.

#### (e) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

## Notes to the Financial Statement

31 March 2019

## 29. COST OF SALES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Continuing operations</b>				
Completed properties	2,633	13,299	2,633	-
Finished goods	78,364	26,590	-	-
Contract cost	3,184	11,470	-	-
Leasing	25,707	-	-	-
Services rendered:				
- logistic	707	1,534	-	-
- energy	21,541	1,026	-	-
	132,136	53,919	2,633	-

## 30. FINANCE COSTS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Continuing operations</b>				
Interest expense:				
- bank overdraft	19	17	-	-
- hire-purchase and lease creditors	38	63	4	5
- term loans	194	612	-	-
- other borrowings	541	213	454	-
Unwinding of discount (RCPS)	316	55	-	-
Others - facility fees	745	294	13	394
	1,853	1,254	471	399
Less: Interest capitalised	(194)	(612)	-	-
	1,659	642	471	399

## Notes to the Financial Statement

31 March 2019

## 31. (LOSS)/PROFIT BEFORE TAX

Continuing operations	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>(Loss)/Profit before tax is arrived at after charging:</b>				
Auditors' remuneration				
Statutory audit				
- BDO PLT	108	111	52	52
- other BDO member firm	98	74	-	-
Other services				
- BDO PLT	54	45	54	42
- other BDO member firm	-	147	-	-
Loss on disposal of subsidiaries	338	1	-	-
Loss on disposal of property, plant and equipment	49	-	-	-
Rental of:				
- short term lease	91	-	-	-
- low value lease	106	112	79	8
Unrealised loss on foreign exchange	657	705	262	612
<b>And crediting:</b>				
Dividend income	-	-	34,366	15,033
Derecognition of contingent consideration for business acquisition	-	4,092	-	-
Fair value gain on derivatives	401	38	401	38
Gain on disposal of subsidiaries	-	-	134	-
Gain on disposal of property, plant and equipment	-	132	-	2
Interest income received from:				
- fixed deposits with licensed banks	530	1,384	366	100
- short term funds	370	205	370	40
- subsidiaries	-	-	3,152	2,485
Realised gain on foreign exchange	387	1,269	60	1,269
Management fees from subsidiaries	-	-	2,900	2,876

## Notes to the Financial Statement

31 March 2019

## 32. TAX EXPENSE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Continuing operations</b>				
Current tax expense based on profit for the financial year				
- Current year	3,407	1,932	-	-
- Over provision in prior years	(451)	(1,740)	-	-
	2,956	192	-	-
Deferred tax (Note 11)				
- Relating to origination and reversal of temporary differences	80	259	-	-
- (Over)/Under provision in prior year	(3)	1,693	-	-
	77	1,952	-	-
Total tax expense from continuing operations	3,033	2,144	-	-
<b>Discontinued operations</b>				
Income tax				
- Current year	-	-	-	-
- Over provision in prior years	-	(71)	-	(71)
	-	(71)	-	(71)
Deferred tax (Note 11)				
- Relating to origination and reversal of temporary differences	-	-	-	-
- Under provision in prior years	-	-	-	-
	-	-	-	-
Total tax income from discontinued operations	-	(71)	-	(71)

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated taxable profits for the fiscal year.

(b) Tax expense for other tax authorities are calculated at the rates prevailing in those respective jurisdictions.

## Notes to the Financial Statement

31 March 2019

### 32. TAX EXPENSE (cont'd)

- (c) Numerical reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Continuing operations</b>				
(Loss)/Profit before tax	(23,284)	(1,390)	26,976	7,275
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	(5,588)	(334)	6,474	1,746
Difference in tax rate	600	13	-	-
Non-allowable expenses	2,032	1,593	1,329	1,813
Non-taxable income	(432)	(583)	(8,468)	(4,405)
Tax incentive	(55)	-	-	-
Deferred tax assets not recognised	6,930	1,502	665	846
	3,487	2,191	-	-
(Over)/Under provision in prior years:				
- income tax	(451)	(1,740)	-	-
- deferred tax	(3)	1,693	-	-
	3,033	2,144	-	-

- (d) Tax on each component of other comprehensive income is as follows:

	Group		
	Before tax RM'000	Tax effect RM'000	After tax RM'000
<b>2019</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	(48)	-	(48)
<b>2018</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	22	-	22

### 33. DISCONTINUED OPERATIONS

- (a) On 15 May 2017, the Company had entered into six (6) agreements to dispose of the Group's property, plant and equipment, investment properties and the entire equity interests in Nautical Gold Sdn. Bhd. ("NGSB"), Evergreen Sprint Sdn. Bhd. ("ESSB") and Essential Vista Sdn. Bhd. ("EVSB") for a total cash consideration of RM85,149,000. The decision to dispose these investment properties and investment assets was caused by low net rental income and rental yields and the disposal will provide an avenue for the Group to realise substantial cash proceeds which is intended to be utilised for repayment of bank borrowings associated with these investment properties, defrayment of expenses relating to the disposal, investment in new businesses, project and acquisition, and to fund the working capital.

## Notes to the Financial Statement

31 March 2019

**33. DISCONTINUED OPERATIONS (cont'd)**

(b) An analysis of the results of the discontinued operations are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	2,263	9,523	2,274	9,622
Cost of sales	(941)	(3,621)	(941)	(3,621)
Gross profit	1,322	5,902	1,333	6,001
Other income	17	56	17	56
Expenses	(1,425)	(141)	(1,425)	(132)
Finance costs	(393)	(2,527)	(393)	(2,527)
(Loss)/Profit before tax	(479)	3,290	(468)	3,398
Taxation	-	(71)	-	(71)
(Loss)/Profit for the financial year	(479)	3,219	(468)	3,327

(c) The following amounts have been included in arriving at (loss)/profit before tax of the discontinued operations:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>(Loss)/Profit before tax is arrived at after charging:</b>				
Auditors' remuneration	-	3	-	-
Interest expenses	393	2,527	393	2,527
<b>And crediting:</b>				
Interest income received from:				
- fixed deposits with licensed banks	14	50	14	50

(d) The cash flows attributable to the discontinued operations are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(Outflow)/Inflow				
Operating activities	(1,229)	5,801	(1,229)	5,909
Investing activities	85,170	50	85,170	50
Financing activities	(393)	(2,527)	(393)	(2,527)

(e) Disposal group held for sale and discontinued operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the beginning of the comparative period.

## Notes to the Financial Statement

31 March 2019

### 34. EARNINGS PER ORDINARY SHARE

#### (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2019 RM'000	2018 RM'000
Loss from continuing operations attributable to equity holders of the Company	(24,134)	(2,676)
(Loss)/Profit from discontinued operations attributable to equity holders of the Company	(479)	3,219
(Loss)/Profit attributable to equity holders of the Company	<u>(24,613)</u>	<u>543</u>
Weighted average number of ordinary shares in issue after deducting the treasury shares ('000)	134,919	134,919
Basic earnings per ordinary share (sen) for:		
Loss from continuing operations	(17.89)	(1.98)
(Loss)/Profit from discontinued operations	(0.36)	2.39
Loss for the financial year	<u>(18.25)</u>	<u>(0.41)</u>

#### (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. There are no diluted earnings per share as the Company does not have any potential dilutive ordinary shares outstanding as at 31 March 2019 and 31 March 2018.

### 35. DIVIDENDS

On 30 May 2018, the Board of Directors declared a first interim tax exempt dividend of 4.5 sen per share in respect of financial year ended 31 March 2018 amounting to RM6,071,000. The dividend was paid on 6 August 2018.

On 23 April 2019, the Board of Directors has declared a first interim single tier dividend of 3.0 sen per share in respect of financial year ended 31 March 2019 amounting to RM4,050,000 which is recognised in financial year ended 31 March 2020. The dividend was paid on 17 May 2019.

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2019.

### 36. EMPLOYEE BENEFITS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries, wages, bonus and allowances	16,289	14,710	7,520	7,781
Defined contribution plan	1,621	1,527	924	784
Other employee benefits	733	939	313	507
	<u>18,643</u>	<u>17,176</u>	<u>8,757</u>	<u>9,072</u>

## Notes to the Financial Statement

31 March 2019

**37. COMMITMENTS**

## (a) Operating lease commitments

The Group as a lessor

The Group has entered into a commercial lease on its leasing business on 6 July 2017.

Future minimum rentals receivable under agreement at the reporting date are as follows:

	<b>Group</b>	
	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
Not later than one (1) year	33,309	-
Later than one (1) year but not later than five (5) years	68,712	-
	102,021	-

## (b) Capital commitments

	<b>Group</b>	
	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
<b>Authorised and contracted for</b>		-
Purchase of land	-	6,813
<b>Approved but not contracted for</b>		
Purchase of property, plant and equipment	7,350	8,890

**38. CONTINGENT LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
<b>Unsecured</b>				
Corporate guarantees given by the Company for credit facilities granted to the subsidiaries	20,493	29,993	20,493	29,993
<b>Secured</b>				
Bank guarantee given to customer in respect of contract in a subsidiary	2,443	2,317	-	-
Bank guarantee given to suppliers in respect of goods supplied to a subsidiary	17,071	1,872	-	-
	19,514	4,189	-	-

The Directors are of the opinion that the fair value of the corporate guarantees is negligible as the possibility of any outflow in settlement arising from the default of credit facilities is remote.

## Notes to the Financial Statement

31 March 2019

### 39. RELATED PARTY DISCLOSURES

#### (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
  - (ii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and
  - (iii) Company in which a Director is also a Director of the Company.
- (b) Significant related party transactions and balances

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Subsidiaries:</b>		
Interest income	3,152	2,485
Dividend income	34,366	15,033
Rental income	11	99
Interest expense	-	(295)
Management fees	2,900	2,876

The related party transactions described above were carried out on terms and conditions mutually agreed with the respective parties.

Balances of the above related parties are disclosed in Notes 13 and 22 to the financial statements.

- (c) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remunerations of Directors of the Company during the financial year were as follows:

	<b>Group/Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fees	372	427
Salaries	1,872	1,872
Other emoluments	796	934
	<u>3,040</u>	<u>3,233</u>

## Notes to the Financial Statement

31 March 2019

**39. RELATED PARTY DISCLOSURES (cont'd)**

(c) The remuneration of other key management personnel other than the Directors of the Company are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries, bonus and allowance	4,358	3,840	2,971	2,662
Defined contribution plan	503	422	346	309
	4,861	4,262	3,317	2,971

**40. OPERATING SEGMENTS**

Operating segments are defined as components of the Group that:

- Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten per cent (10%) or more of the combined revenue, internal and external, of all operating segments.
- The absolute amount of its reported profit or loss is ten per cent (10%) or more of the greater, in absolute amount of:
  - The combined reported profit of all operating segments that did not report a loss; and
  - The combined reported loss of all operating segments that reported a loss.
- Its assets are ten per cent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75%) percent of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in consolidated financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude current tax assets, deferred tax assets and assets used primarily for corporate purposes.

# Notes to the Financial Statement

31 March 2019

## 40. OPERATING SEGMENTS (cont'd)

Segment liabilities exclude current tax liabilities and deferred tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliations from segments assets and liabilities to the Group position.

The Group is principally engaged in property investment, property development, energy services, engineering, construction and fabrication, and investment holding activities and other management services activities.

The investment properties segment was reclassified as discontinued operations as disclosed in Note 33 to the financial statements following the management's commitment to dispose the Group's investment properties and the entire equity interests in NGSB, ESSB and EVSB in the financial year ended 31 March 2019.

The Group has arrived at four (4) reportable segments that are organised and managed separately according to the nature and services and specific expertise requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(a) Property development

Joint venture property development

(b) Energy services

Trading, leasing and energy related services

(c) Engineering, construction and fabrication

Logistic services, general construction, engineering and fabrication

(d) Investment holdings and others

Investment holdings and management services activities

## Notes to the Financial Statement

31 March 2019

## 40. OPERATING SEGMENTS (cont'd)

2019	Property development RM'000	Energy services RM'000	Engineering, construction and fabrication RM'000	Investment holdings and others RM'000	Total RM'000
<b>Revenue</b>					
Total revenue	2,891	157,289	4,734	2,274	167,188
Inter-segment revenue	-	-	(208)	(11)	(219)
Discontinued operations (Note 33)	-	-	-	(2,263)	(2,263)
<b>Revenue from external customers</b>	2,891	157,289	4,526	-	164,706
Interest income	98	80	-	722	900
Finance costs	(326)	(847)	(15)	(471)	(1,659)
Lease interest	-	(3,558)	(1)	(62)	(3,621)
Net finance (expense)/income	(228)	(4,325)	(16)	189	(4,380)
Depreciation of property, plant and equipment	68	820	23	172	1,083
Amortisation of right-of-use assets	-	25,830	135	464	26,429
Amortisation of intangible assets	-	193	-	-	193
Total depreciation and amortisation	68	26,843	158	636	27,705
<b>Segment (loss)/profit before tax</b>	(8,593)	14,031	(15,934)	(12,788)	(23,284)
<b>Segment assets</b>	90,659	144,445	11,242	18,105	264,451
<b>Segment liabilities</b>	28,342	109,537	919	4,423	143,221
<b>Other information:</b>					
Additions to non-current assets other than financial instruments	7,852	110,938	14	6	118,810

## Notes to the Financial Statement

31 March 2019

## 40. OPERATING SEGMENTS (cont'd)

2018	Property development RM'000	Energy services RM'000	Engineering, construction and fabrication RM'000	Investment holdings and others RM'000	Total RM'000
<b>Revenue</b>					
Total revenue	16,835	46,719	11,732	9,622	84,908
Inter-segment revenue	-	-	-	(99)	(99)
Discontinued operations (Note 33)	-	-	-	(9,523)	(9,523)
<b>Revenue from external customers</b>					
	16,835	46,719	11,732	-	75,286
Interest income	1,413	35	1	140	1,589
Lease interest expense	-	(45)	-	(73)	(118)
Finance costs	(63)	(440)	(36)	(103)	(642)
Net finance income/(expense)	1,350	(450)	(35)	(36)	879
Depreciation of property, plant and equipment	24	696	156	402	1,278
Amortisation of right-of-use assets	-	602	-	469	1,071
Total depreciation and amortisation	24	1,298	156	871	2,349
<b>Segment profit/(loss) before tax</b>	2,635	11,357	(2,665)	(12,717)	(1,390)
<b>Segment assets</b>	107,054	55,459	25,414	101,173	289,100
<b>Segment liabilities</b>	20,057	37,771	2,928	62,598	123,354
<b>Other information:</b>					
Additions to non-current assets other than financial instruments	20	2,439	-	332	2,791

## Notes to the Financial Statement

31 March 2019

**40. OPERATING SEGMENTS (cont'd)**

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
<b>Assets</b>		
Total assets for reportable segments	264,451	289,100
Current tax assets	842	469
Deferred tax assets	76	117
Assets of the Group	<u>265,369</u>	<u>289,686</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	143,221	123,354
Current tax liabilities	989	1,044
Deferred tax liabilities	283	243
Liabilities of the Group	<u>144,493</u>	<u>124,641</u>

**Geographical information**

The Group predominantly operates in Malaysia save for a part of its property development business that operates in the United Kingdom under ENRA Property (UK) Limited's Group and in Australia under ENRA Kimia (Australia) Pty Ltd's Group are as follows:

	<b>2019</b> <b>RM'000</b>	<b>2018</b> <b>RM'000</b>
<b>Segment assets</b>		
ENRA Kimia (Australia) Pty Ltd's Group	20,292	-
ENRA Property (UK) Limited's Group	100,277	55,206
	<u>120,569</u>	<u>55,206</u>

**Major customers**

Other than a single customer who contributed about 53% (2018: 31%) to the revenue of the Group, there is no other customer who contributed significantly to the revenue of the Group.

**41. FINANCIAL INSTRUMENTS**

## (a) Capital management

The primary objective of the capital management of the Group and the Company is to ensure that the entities of the Group and the Company would be able to continue as going concerns while maximising the returns to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group and the Company remains unchanged from that in the financial year ended 31 March 2018.

The Group and the Company manage its capital structure and makes adjustments to it, in light of changes in the economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may from time to time adjust the dividend payout to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2018 and 31 March 2019.

# Notes to the Financial Statement

31 March 2019

## 41. FINANCIAL INSTRUMENTS (cont'd)

### (a) Capital management (cont'd)

The Group and the Company monitor capital using a gearing ratio, which is total external borrowings and divided by total equity. The policy of the Group and the Company is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's and the Company's gearing ratio is 0.14 times (2018: 0.46 times) and 0.02 times (2018: 0.39 times) respectively.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 March 2019.

### (b) Types of financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

#### (i) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss (FVTPL), directly attributable transaction costs.

The Company determines the classification of financial assets upon initial recognition. The measurement for each classification of financial are as below:

#### (i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of any impairment losses if any.

# Notes to the Financial Statement

31 March 2019

## 41. FINANCIAL INSTRUMENTS (cont'd)

### (b) Types of financial instruments (cont'd)

#### (i) Financial assets (cont'd)

##### (ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income (FVTOCI), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequently to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Company had elected an irrevocable option to designate its equity instruments (i.e. quoted shares outside Malaysia) other than investments in subsidiaries, associates and joint ventures at initial recognition as financial assets measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Company in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

#### (ii) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

##### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

# Notes to the Financial Statement

31 March 2019

## 41. FINANCIAL INSTRUMENTS (cont'd)

### (b) Types of financial instruments (cont'd)

#### (ii) Financial liabilities (cont'd)

##### (a) Financial liabilities at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

##### (b) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

#### (iii) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

## Notes to the Financial Statement

31 March 2019

## 41. FINANCIAL INSTRUMENTS (cont'd)

## (b) Types of financial instruments (cont'd)

## (iv) Redeemable convertible preference shares

The redeemable convertible preference shares are regarded as compound instruments, consisting of a liability component and an equity component. The component of convertible redeemable preference shares that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the redeemable convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the accounting policy for other payables.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholders' equity, net of transaction costs. The dividends on these shares is recognised in equity in the period in which they are declared.

Transaction costs are apportioned between the liability and equity components of the redeemable convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

## (c) Categories of financial instruments

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Financial assets</b>				
<b><i>Amortised cost</i></b>				
Trade and other receivables, net of prepayments and accrued billings in respect of property development	24,114	35,417	60,506	80,804
Contract assets	-	5,977	-	-
Cash and bank balances	23,729	26,101	8,855	10,093
<b><i>Fair value through profit or loss</i></b>				
Short term funds	6,236	20,088	6,236	17
Derivative assets	512	111	512	111
	<b>54,591</b>	<b>87,694</b>	<b>76,109</b>	<b>91,025</b>
<b>Financial liabilities</b>				
<b><i>Amortised cost</i></b>				
Borrowings	16,450	75,862	3,058	49,223
Lease liabilities	86,802	2,164	914	1,370
Trade and other payables	30,046	44,618	5,516	17,633
RCPS liability	5,580	703	-	-
<b><i>Fair value through profit or loss</i></b>				
Contingent consideration	4,343	-	-	-
	<b>143,221</b>	<b>123,347</b>	<b>9,488</b>	<b>68,226</b>

# Notes to the Financial Statement

31 March 2019

## 41. FINANCIAL INSTRUMENTS (cont'd)

### (d) Determination of fair value

#### Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair values.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current position of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Hire-purchase and lease creditors and other borrowings

The fair values of these financial instruments are estimated future contractual cash flows at current market rate for similar financial instruments and of the same remaining maturities at the end of the reporting period.

- (iii) Contingent consideration for business acquisition

The fair value of contingent consideration for business acquisition is estimated by discounting the expected future cash flows at cost of borrowings of the subsidiaries.

At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

- (iv) Short term funds

The fair values of short term funds are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period.

- (v) Forward foreign currency selling contracts

Forward foreign currency selling contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculation. The model incorporates various inputs including foreign exchange spot and forward rates.

### (e) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Financial Statement

31 March 2019

## 41. FINANCIAL INSTRUMENTS (cont'd)

## (e) Fair value hierarchy (cont'd)

The significant unobservable input used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, is detailed in the table below:

Financial instruments	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
<u>Financial liabilities</u>			
Contingent consideration for business acquisition	Discounted cash flows method	Discount rate (9.31%)	The higher the discount rate, the lower the fair value of the liabilities would be.

The following table set out the fair value of financial instruments that are not carried at fair value on the statements of financial position:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
<b>2019</b>						
<b>Group</b>						
<b>Financial liabilities</b>						
<b>Amortised cost</b>						
- Lease liabilities	-	-	88,475	88,475	88,475	86,802
- Hire-purchase and lease creditors	-	-	467	467	467	523
<b>Company</b>						
<b>Financial liabilities</b>						
<b>Amortised cost</b>						
- Lease liabilities	-	-	918	918	918	914
- Hire-purchase and lease creditors	-	-	56	56	56	58
<b>2018</b>						
<b>Group</b>						
<b>Financial liabilities</b>						
<b>Amortised cost</b>						
- Lease liabilities	-	-	2,457	2,457	2,457	2,164
- Hire-purchase and lease creditors	-	-	777	777	777	917
<b>Company</b>						
<b>Financial liabilities</b>						
<b>Amortised cost</b>						
- Lease liabilities	-	-	1,407	1,407	1,407	1,370
- Hire-purchase and lease creditors	-	-	76	76	76	83

## Notes to the Financial Statement

31 March 2019

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, interest rate risk, liquidity and cash flow risk and foreign currency risk. Information on the management of the related exposures is detailed below.

#### (i) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The credit period is generally for a period of 30 days to 60 days. The exposure to credit risk is monitored on an ongoing basis.

There are no specific considerations of credit risk other than as disclosed in Note 13 to the financial statements and the maximum exposures to credit risk of the Group are represented by the carrying amounts of the financial assets in the statements of financial position.

As at the end of the reporting period, other than the amounts owing by the subsidiaries amounting to RM60,182,000 (2018: RM77,912,000), which represent 98.00% (2018: 95.00%) of trade and other receivables of the Company, there is no significant concentration of credit risk of the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

#### Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 13 to the financial statements.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their fixed deposits with licensed banks, short term funds, borrowings, lease liabilities and amounts due from subsidiaries. The Group borrows at both, fixed and floating rates of interest to generate the desired interest profile and to manage the exposure of the Group and of the Company to interest rate fluctuations.

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of reporting period changed by 10 basis points with all other variables held constant:

	Group		Company	
	2019 RM'000 Profit/(Loss) after tax	2018 RM'000 Profit/(Loss) after tax	2019 RM'000 Profit/(Loss) after tax	2018 RM'000 Profit/(Loss) after tax
Increase by 0.1% (2018: 0.1%)	3	(37)	54	24
Decrease by 0.1% (2018: 0.1%)	(3)	37	(54)	(24)

## Notes to the Financial Statement

31 March 2019

## 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

## (ii) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	Within 1 year					Total RM'000
			1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	
<b>At 31 March 2019</b>								
<b>Fixed rates</b>								
Fixed deposits with licensed banks and short term funds	16	2.99	20,840	-	-	-	-	20,840
Hire-purchase and lease creditors	25	7.71	241	180	58	13	18	523
Term loans	26	10.20	9,778	-	-	-	-	9,778
RCPS liability	19	7.64	-	-	763	4,817	-	5,580
Lease liabilities	5	5.27	27,658	28,177	28,781	2,143	43	86,802
<b>Floating rates</b>								
Other borrowings	27	4.03	5,466	-	-	-	-	5,466
Bank overdrafts	24	7.85	683	-	-	-	-	683
<b>At 31 March 2018</b>								
<b>Fixed rates</b>								
Fixed deposits with licensed banks and short term funds	16	2.07	27,114	-	-	-	-	27,114
Hire-purchase and lease creditors	25	6.29	219	227	206	94	50	917
RCPS liability	19	8.50	-	-	-	703	-	703
<b>Floating rates</b>								
Bank overdrafts	24	8.50	18,421	-	-	-	-	18,421
Other borrowings	27	2.55	39,759	-	-	-	-	39,759
Term loans	26	5.41	14,065	1,200	1,200	300	-	16,765

## Notes to the Financial Statement

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## 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk: (cont'd)

Company	Note	Weighted average effective interest rate %	Within 1 year					Total RM'000
			RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	
<b>At 31 March 2019</b>								
<b>Fixed rates</b>								
Fixed deposits with licensed banks and short term funds	16	3.07	14,325	-	-	-	-	14,325
Amounts due from subsidiaries	13	6.41	60,182	-	-	-	-	60,182
Lease liabilities	5	5.27	452	349	113	-	-	914
Hire-purchase and lease creditors	25	5.43	27	28	3	-	-	58
<b>Floating rates</b>								
Other borrowings	27	7.27	3,000	-	-	-	-	3,000
<b>At 31 March 2018</b>								
<b>Fixed rates</b>								
Fixed deposits with licensed banks and short term funds	16	3.19	2,816	-	-	-	-	2,816
Amounts due from subsidiaries	13	6.23	77,912	-	-	-	-	77,912
Lease liabilities	5	5.27	455	453	349	113	-	1,370
Hire-purchase and lease creditors	25	5.43	25	27	28	3	-	83
<b>Floating rates</b>								
Bank overdrafts	24	8.50	18,421	-	-	-	-	18,421
Term loans	26	6.10	8,319	1,200	1,200	300	-	11,019
Other borrowings	27	4.56	19,700	-	-	-	-	19,700

## Notes to the Financial Statement

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**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

## (iii) Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group actively manages its operating cash flow to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

	<b>On demand or within one year RM'000</b>	<b>One to five years RM'000</b>	<b>Over five years RM'000</b>	<b>Total RM'000</b>
<b>2019</b>				
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	31,776	2,613	-	34,389
RCPS liability	-	8,096	-	8,096
Lease liabilities	27,658	59,144	-	86,802
Borrowings	16,189	281	18	16,488
Total undiscounted financial liabilities	75,623	70,134	18	145,775
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	5,516	-	-	5,516
Lease liabilities	452	462	-	914
Borrowings	3,029	32	-	3,061
Total undiscounted financial liabilities	8,997	494	-	9,491
<b>2018</b>				
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	44,514	104	-	44,618
RCPS liability	-	1,057	-	1,057
Lease liabilities	931	1,233	-	2,164
Borrowings	72,512	3,398	128	76,038
Total undiscounted financial liabilities	117,957	5,792	128	123,877
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	17,633	-	-	17,633
Lease liabilities	455	915	-	1,370
Borrowings	46,469	2,809	-	49,278
Total undiscounted financial liabilities	64,557	3,724	-	68,281

## Notes to the Financial Statement

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### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### (iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is subject to foreign exchange fluctuations through the import and export of finished goods. The Group also has cash and bank balances, receivables, payables and borrowings denominated in foreign currencies. At the end of reporting period, the Group holds bank balance denominated in foreign currencies as disclosed in Note 16(e) to the financial statements.

The Group is also exposed to foreign currency risk in respect of the overseas subsidiaries.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group and of the Company to a reasonably possible change in the US Dollar, British Pound, Euro and Singapore Dollar exchange rates against the Ringgit Malaysia ("RM") respectively, with all variables held constant, 3% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

		Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<b>Profit/(Loss) after tax</b>					
US Dollar/RM	- strengthen by 3% (2018: 3%)	71	(110)	-	-
	- weaken by 3% (2018: 3%)	(71)	110	-	-
British Pound/RM	- strengthen by 3% (2018: 3%)	(408)	(199)	1,194	1,013
	- weaken by 3% (2018: 3%)	408	199	(1,194)	(1,013)
Australian Dollar/RM	- strengthen by 3% (2018: 3%)	(40)	-	-	-
	- weaken by 3% (2018: 3%)	40	-	-	-
Euro/RM	- strengthen by 3% (2018: 3%)	-	(496)	-	-
	- weaken by 3% (2018: 3%)	-	496	-	-
Singapore Dollar/RM	- strengthen by 3% (2018: 3%)	1	546	-	-
	- weaken by 3% (2018: 3%)	(1)	(546)	-	-

## Notes to the Financial Statement

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### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Disposal of Group's investment properties and investment assets

On 15 May 2017, the Company had entered into six (6) agreements to dispose of the Group's investment properties and investment assets ("Proposed Disposal"), namely:

- (i) A conditional sale and purchase agreement between the Company and Atar Irama Sdn. Bhd. for the proposed disposal of 40 Retail units and 16 office units located in Holiday Plaza, in Johor Bahru for a cash consideration of RM51,855,000;
- (ii) A conditional sale and purchase agreement between the Company and Solid Hope Sdn. Bhd. for the proposed disposal of a basement car park located in Holiday Plaza, in Johor Bahru for a cash consideration of RM28,000,000;
- (iii) A conditional sale and purchase agreement between the Company and Simfoni Cindai Sdn. Bhd. for the proposed disposal of six (6) office units located at Shamelin Business Centre, in Kuala Lumpur for a cash consideration of RM5,160,000; and
- (iv) Three (3) conditional share sale agreements between the Company and Atar Irama Sdn. Bhd. for the respective proposed disposal of the entire equity interests in the following wholly owned subsidiaries of the Company:
  - (i) NGSB for a cash consideration of RM38,000;
  - (ii) ESSB for a cash consideration of RM46,000; and
  - (iii) EVSB for a cash consideration of RM50,000

On 9 February 2018, the respective conditions precedent set out in the respective agreements were fulfilled.

The Proposed Disposal was completed on 5 July 2018 (in respect of items (a) (i), (ii) and (iv)) and 3 October 2018 (in respect of item (a) (iii)) respectively.

(b) Claim against Gemula Sdn. Bhd.

On 11 June 2018, ENRA Engineering And Fabrication Sdn. Bhd. ("EEFAB"), a wholly-owned indirect subsidiary of the Company served an Adjudication Claim against Gemula Sdn. Bhd. ("Gemula") in accordance with Section 9 of Construction Industry Payment and Adjudication Act 2012 ("CIPAA") for a total amount of RM10,574,663 ("CIPAA Payment Claim").

Gemula appointed EEFAB as a subcontractor for the project known as "Pembinaan Garaj Utama Kenderaan 8 x 8 Dan Kenderaan Pasukan Serta Infrastruktur Di Kem Batu Sepuluh (10) Kuantan, Pahang" ("the Project"). Gemula subcontracted the following works for the Project to EEFAB by way of these respective documents:

- (a) Letter of Award dated 15 January 2016 ("LOA 1") whereby Gemula appointed EEFAB to undertake the 'Struktur Besi' works for the Project; and
- (b) Letter of Award dated 9 May 2016 ("LOA 2") whereby Gemula appointed EEFAB to undertake the scope described as "membekal bahan binaan dan menyiapkan segala kerja berbaki" for the Project.

The CIPAA Payment Claim is in relation to outstanding amounts due and payable by Gemula for works completed pursuant to LOA 1 and LOA 2 including additional/variation works ancillary to the said subcontracts.

## Notes to the Financial Statement

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### 43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

(b) Claim against Gemula Sdn. Bhd. (cont'd)

On 6 September 2018, the Adjudicator had determined in EEFAB's favour that:

- (a) Gemula shall pay EEFAB the total outstanding sum of RM10.22 million;
- (b) Gemula shall pay EEFAB interest at the rate of 5% per annum on each invoice claimed by EEFAB from its respective due date for payment until full and final settlement; and
- (c) Gemula shall pay the total costs of adjudication in the amount of RM132,594.

(collectively "Adjudication Decision").

On 8 October 2018, EEFAB had applied to the High Court of Malaya at Kuala Lumpur to enforce the Adjudication Decision for CIPAA Payment Claim.

On 1 November 2018, a sealed Originating Summons was served on EEFAB by Gemula to set aside the Adjudication Decision on the grounds that the Adjudicator had acted in excess of his jurisdiction and had not acted impartially.

On 8 January 2019, the High Court held:

- (a) Gemula's application to set aside the Adjudication Decision for CIPAA Payment Claim was dismissed with costs in the sum of RM15,000; and
- (b) the application by EEFAB to enforce the Adjudication Decision for CIPAA Payment Claim as a judgement or order of the High Court was allowed with costs in the sum of RM10,000 to be paid by Gemula.

On 29 January 2019, EEFAB received the Notice of Appeal from Gemula to appeal against the decision of the High Court dated 8 January 2019.

The Court of Appeal has fixed the hearing for the Enforcement and Setting Aside appeals by Gemula to be heard together on 27 August 2019.

On 4 March 2019, EEFAB, through its solicitors, served Notice of Demand to Gemula demanding payment of the sum totalling RM10.38 million. Subsequently, on 27 March 2019, EEFAB, through its solicitors, filed a winding up petition at the High Court against Gemula as they had failed to pay the sum owing set out in the Notice of Demand after the expiration of 21 days from the date of the service of the said Notice of Demand. The hearing for the winding up is fixed on 25 June 2019 at the Insolvency Courtroom in Kuala Lumpur High Court.

EEFAB will continue to pursue the recovery of the full amount owed by Gemula, including the other monies instructed by the High Court for Gemula to pay EEFAB despite the provision of impairment made on this receivable.

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**44. SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD**

## (a) Acquisition of a subsidiary

On 31 May 2019, ENRA Land Sdn. Bhd. ("ELAND"), a wholly-owned direct subsidiary of the Group and of the Company has entered into a Shareholders Agreement with IBGH Capital Sdn. Bhd. ("IBGHC") to collaborate in the business of property development in Malaysia via Q Homes Sdn. Bhd. ("Q Homes"). Q Homes was incorporated in Malaysia on 28 February 2019 as a private limited company. The principal activities of Q Homes include construction of buildings and real estate activities. Q Homes owns a 100% equity stake in Merpati TPG Sdn. Bhd..

On 20 June 2019, ELAND has subscribed for a 51% equity stake in Q Homes for a total cash consideration of RM127,500.

## (b) Claim against Gemula Sdn. Bhd.

On 25 June 2019, the High Court granted the winding up petition initiated by EEFAB against Gemula.

**45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs****45.1 New MFRSs adopted during the financial year**

The Group and the Company are transitioning entities as defined by the Malaysian Accounting Standards Board ("MASB"), and adopted the MFRS Framework during the financial year ended 31 March 2019. Accordingly, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

In adopting the new MFRS Framework, the Group and the Company applied the transition requirements in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. In addition to the adoption of the new MFRS Framework, the following new MFRSs and Amendments to the MFRSs issued by MASB were adopted by the Group and the Company during the financial year:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019

# Notes to the Financial Statement

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## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

### 45.2 Explanation of transition to MFRSs

The Group and the Company adjusted amounts previously reported in the financial statements that were prepared in accordance with the previous FRS Framework. In preparing the opening statements of financial position at 1 April 2017, an explanation on the impact arising from the transition from FRSs to MFRSs on the financial position and financial performance of the Group and the Company is set out as follows:

(a) Reconciliation of financial position and equity

Group 1 April 2017	Note	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Non-current assets</b>						
Property, plant and equipment		3,716	-	-	-	3,716
Right-of-use assets	(iii)	-	-	-	2,526	2,526
Deferred tax assets		1,929	-	-	-	1,929
Goodwill on consolidation		8,505	-	-	-	8,505
		14,150	-	-	2,526	16,676
<b>Current assets</b>						
Inventories		77,231	-	-	-	77,231
Trade and other receivables	(i),(ii)	81,499	(6)	(8,904)	-	72,589
Contract assets	(ii)	-	-	8,904	-	8,904
Derivative assets		73	-	-	-	73
Current tax assets		1,286	-	-	-	1,286
Cash and bank balances and short term funds		64,065	-	-	-	64,065
		224,154	(6)	-	-	224,148
Assets held for sale		85,156	-	-	-	85,156
<b>Total assets</b>		<b>323,460</b>	<b>(6)</b>	<b>-</b>	<b>2,526</b>	<b>325,980</b>
<b>Equity</b>						
Share capital		144,744	-	-	-	144,744
Redeemable convertible preference share equity		409	-	-	-	409
Reserves		7,592	(4)	-	(76)	7,512
		152,745	(4)	-	(76)	152,665
Non-controlling interests		18,260	(2)	-	-	18,258
<b>Total equity</b>		<b>171,005</b>	<b>(6)</b>	<b>-</b>	<b>(76)</b>	<b>170,923</b>

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(a) Reconciliation of financial position and equity (cont'd)

Group 1 April 2017	Note	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Non-current liabilities</b>						
Deferred tax liabilities		101	-	-	-	101
Trade and other payables		1,313	-	-	-	1,313
Borrowings		17,627	-	-	-	17,627
Lease liabilities	(iii)	-	-	-	1,588	1,588
Redeemable preference shares liability		648	-	-	-	648
		19,689	-	-	1,588	21,277
<b>Current liabilities</b>						
Trade and other payables		82,327	-	-	-	82,327
Borrowings		45,575	-	-	-	45,575
Lease liabilities	(iii)	-	-	-	1,014	1,014
Current tax liabilities		4,857	-	-	-	4,857
		132,759	-	-	1,014	133,773
Liabilities held for sale		7	-	-	-	7
<b>Total liabilities</b>		152,455	-	-	2,602	155,057
<b>Total equity and liabilities</b>		323,460	(6)	-	2,526	325,980

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(a) Reconciliation of financial position and equity (cont'd)

Group 31 March 2018	Note	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Non-current assets</b>						
Property, plant and equipment		4,531	-	-	-	4,531
Right-of-use assets	(iii)	-	-	-	2,067	2,067
Deferred tax assets		117	-	-	-	117
Goodwill on consolidation		8,505	-	-	-	8,505
		13,153	-	-	2,067	15,220
<b>Current assets</b>						
Inventories		73,594	-	-	-	73,594
Trade and other receivables	(i),(ii)	69,541	(594)	(5,977)	-	62,970
Contract assets	(ii)	-	-	5,977	-	5,977
Derivative assets		111	-	-	-	111
Current tax assets		469	-	-	-	469
Cash and bank balances and short term funds		46,189	-	-	-	46,189
		189,904	(594)	-	-	189,310
Assets held for sale		85,156	-	-	-	85,156
<b>Total assets</b>		<b>288,213</b>	<b>(594)</b>	<b>-</b>	<b>2,067</b>	<b>289,686</b>
<b>Equity</b>						
Share capital		144,744	-	-	-	144,744
Redeemable convertible preference share equity		409	-	-	-	409
Reserves		6,858	(594)	-	(96)	6,168
		152,011	(594)	-	(96)	151,321
Non-controlling interests		13,725	-	-	(1)	13,724
<b>Total equity</b>		<b>165,736</b>	<b>(594)</b>	<b>-</b>	<b>(97)</b>	<b>165,045</b>

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(a) Reconciliation of financial position and equity (cont'd)

Group 31 March 2018	Note	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 15 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Non-current liabilities</b>						
Deferred tax liabilities		243	-	-	-	243
Trade and other payables		104	-	-	-	104
Borrowings		3,398	-	-	-	3,398
Lease liabilities	(iii)	-	-	-	1,233	1,233
Redeemable preference shares liability		703	-	-	-	703
		4,448	-	-	1,233	5,681
<b>Current liabilities</b>						
Trade and other payables		44,514	-	-	-	44,514
Borrowings		72,464	-	-	-	72,464
Lease liabilities	(iii)	-	-	-	931	931
Current tax liabilities		1,044	-	-	-	1,044
		118,022	-	-	931	118,953
Liabilities held for sale		7	-	-	-	7
<b>Total liabilities</b>		122,477	-	-	2,164	124,641
<b>Total equity and liabilities</b>		288,213	(594)	-	2,067	289,686

## Notes to the Financial Statement

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## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(a) Reconciliation of financial position and equity (cont'd)

Company 1 April 2017	Note	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Non-current assets</b>					
Property, plant and equipment		792	-	-	792
Right-of-use assets	(iii)	-	-	1,451	1,451
Investment in subsidiaries		10,909	-	-	10,909
		11,701	-	1,451	13,152
<b>Current assets</b>					
Trade and other receivables		57,741	-	-	57,741
Derivative assets		73	-	-	73
Current tax assets		1,103	-	-	1,103
Cash and bank balances and short term funds		5,174	-	-	5,174
		64,091	-	-	64,091
Assets held for sale		85,575	-	-	85,575
<b>Total assets</b>		161,367	-	1,451	162,818
<b>Equity</b>					
Share capital		144,744	-	-	144,744
Reserves		(30,427)	-	(46)	(30,473)
<b>Total equity</b>		114,317	-	(46)	114,271
<b>Non-current liabilities</b>					
Borrowings		11,102	-	-	11,102
Lease liabilities	(iii)	-	-	1,070	1,070
		11,102	-	1,070	12,172
<b>Current liabilities</b>					
Trade and other payables		8,470	-	-	8,470
Borrowings		27,478	-	-	27,478
Lease liabilities	(iii)	-	-	427	427
		35,948	-	427	36,375
<b>Total liabilities</b>		47,050	-	1,497	48,547
<b>Total equity and liabilities</b>		161,367	-	1,451	162,818

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(a) Reconciliation of financial position and equity (cont'd)

Company 31 March 2018	Note	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Non-current assets</b>					
Property, plant and equipment		762	-	-	762
Right-of-use assets	(iii)	-	-	1,302	1,302
Investment in subsidiaries		13,249	-	-	13,249
		14,011	-	1,302	15,313
<b>Current assets</b>					
Trade and other receivables		81,644	-	-	81,644
Derivative assets		111	-	-	111
Current tax assets		346	-	-	346
Cash and bank balances and short term funds		10,110	-	-	10,110
		92,211	-	-	92,211
Assets held for sale		85,575	-	-	85,575
<b>Total assets</b>		191,797	-	1,302	193,099
<b>Equity</b>					
Share capital		144,744	-	-	144,744
Reserves		(19,803)	-	(68)	(19,871)
<b>Total equity</b>		124,941	-	(68)	124,873
<b>Non-current liabilities</b>					
Borrowings		2,757	-	-	2,757
Lease liabilities	(iii)	-	-	915	915
		2,757	-	915	3,672
<b>Current liabilities</b>					
Trade and other payables		17,633	-	-	17,633
Borrowings		46,466	-	-	46,466
Lease liabilities	(iii)	-	-	455	455
		64,099	-	455	64,554
<b>Total liabilities</b>		66,856	-	1,370	68,226
<b>Total equity and liabilities</b>		191,797	-	1,302	193,099

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(b) Reconciliation of profit or loss

Group 31 March 2018	Previously reported under FRSs RM'000	Effects of MFRS 9 RM'000	Effects of MFRS 16 RM'000	Restated under MFRSs RM'000
<b>Continuing operations</b>				
Revenue	75,286	-	-	75,286
Cost of sales	(53,919)	-	-	(53,919)
Gross profit	21,367	-	-	21,367
Other income	6,435	-	1	6,436
Administration expenses	(23,044)	(589)	97	(23,536)
Other expenses	(4,897)	-	-	(4,897)
Lease interest expense	-	-	(118)	(118)
Finance costs	(642)	-	-	(642)
Share of results of an associates, net of tax	-	-	-	-
Loss before tax	(781)	(589)	(20)	(1,390)
Tax expense	(2,144)	-	-	(2,144)
Loss for the financial year from continuing operations	(2,925)	(589)	(20)	(3,534)
<b>Discontinued operations</b>				
Profit for the financial year from discontinued operations, net of tax	3,219	-	-	3,219
Profit/(Loss) for the financial year	294	(589)	(20)	(315)
Other comprehensive income:				
Foreign currency translations, net of tax	22	-	-	22
Total comprehensive income/(loss)	316	(589)	(20)	(293)
Profit/(Loss) attributable to:				
Equity holders of the Company	1,021	(458)	(20)	543
Non-controlling interests	(727)	(131)	-	(858)
	294	(589)	(20)	(315)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	1,041	(458)	(20)	563
Non-controlling interests	(725)	(131)	-	(856)
	316	(589)	(20)	(293)
Earnings per ordinary shares attributable to equity holders of the Company (sen):				
Basic and diluted				
Loss from continuing operations	(1.63)			(1.98)
Profit from discontinued operations	2.39			2.39
Profit for the financial year	0.76			0.41

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

(b) Reconciliation of profit or loss (cont'd)

<b>Company 31 March 2018</b>	<b>Previously reported under FRSs RM'000</b>	<b>Effects of MFRS 9 RM'000</b>	<b>Effects of MFRS 16 RM'000</b>	<b>Restated under MFRSs RM'000</b>
<b>Continuing operations</b>				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other income	21,231	-	-	21,231
Administration expenses	(13,452)	-	237	(13,215)
Other expenses	(83)	-	(186)	(269)
Lease interest expense	-	-	(73)	(73)
Finance costs	(399)	-	-	(399)
Profit/(Loss) before tax	7,297	-	(22)	7,275
Tax expense	-	-	-	-
Profit/(Loss) for the financial year from continuing operations	7,297	-	(22)	7,275
<b>Discontinued operations</b>				
Profit for the financial year from discontinued operations, net of tax	3,327	-	-	3,327
Profit/(Loss) for the financial year	10,624	-	(22)	10,602
Other comprehensive income/(loss):				
Foreign currency translations, net of tax	-	-	-	-
Total comprehensive income/(loss)	10,624	-	(22)	10,602

Notes to the reconciliations

(i) Adoption of MFRS 9

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(a) Classification of financial assets and financial liabilities

The Group and the Company classify their financial assets into the following measurement categories depending on the business model of the Group and the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- (i) Those to be measured at amortised cost; and
- (ii) Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

# Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

### 45.2 Explanation of transition to MFRSs (cont'd)

#### Notes to the reconciliations (cont'd)

- (i) Adoption of MFRS 9 (cont'd)
  - (a) Classification of financial assets and financial liabilities (cont'd)

The following summarises the key changes:

- (i) The Available-For-Sale (AFS), Held-To-Maturity (HTM) and Loans and Receivables (L&R) financial asset and Other Financial Liabilities (OFL) financial liabilities categories were removed.
- (ii) A new financial asset category measured at Amortised Cost (AC) was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- (iii) A new financial asset category measured at Fair Value Through Other Comprehensive Income (FVTOCI) was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- (iv) A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- (i) Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- (ii) The remaining amount of change in the fair value is presented in profit or loss.

- (b) Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group and of the Company by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Group and the Company to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

## Notes to the Financial Statement

31 March 2019

**45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)****45.2 Explanation of transition to MFRSs (cont'd)**Notes to the reconciliations (cont'd)

(i) Adoption of MFRS 9 (cont'd)

(b) Impairment of financial assets (cont'd)

Impairment for receivables from related parties are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(c) The MFRS 9 adjustments are mainly due to:

(i) Reclassification of the financial assets and financial liabilities as follows:

<b>Group and Company</b>	<b>Classification</b>	
	<b>Existing under MFRS 139</b>	<b>New under MFRS 9</b>
<b>Financial assets</b>		
Trade and other receivables	L&R	AC
Short term funds	FVTPL	FVTPL
Derivative assets	FVTPL	FVTPL
Contract assets	L&R	AC
Cash and bank balances	L&R	AC
<b>Financial liabilities</b>		
Contingent consideration	FVTPL	FVTPL
RCPS liability	OFL	AC
Trade and other payables	OFL	AC
Borrowings	OFL	AC

(ii) Additional credit losses to be recognised on trade and other receivables, and amounts owing by joint ventures and associates.

# Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

### 45.2 Explanation of transition to MFRSs (cont'd)

#### Notes to the reconciliations (cont'd)

(ii) Adoption of MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related interpretations.

(a) Accounting for separate performance obligations arising from the sale of goods and services

The application of MFRS 15 resulted in the identification of various separate performance obligations which previously had been bundled. The performance obligation is separated if the performance obligation is capable of being distinct and if they are distinct within the context of the contract. In the context of sale of properties by a property developer, among the performance obligations to be identified separately are goods, common facilities, free maintenance fees, legal and stamp duties paid on behalf of house buyers. Revenue will then be allocated to the respective performance obligations and recognised when controls in relation to the performance obligations have been transferred. This could affect the timing of the recognition of revenue going forward.

(b) Determining the transaction price

In determining the transaction price, the Group assesses the estimated transaction price based on the most likely amount, constrained up to the amount that is highly probable that would not reverse in the future.

(c) Timing of recognition for the sales of development properties

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time. For properties sold in accordance with the Housing Development (Control and Licensing) Act 1966 ("HDA"), control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Therefore revenue from sale of properties under the HDA, without a secured financing arrangement is recognised at a point in time if it is not probable that the Group will collect the consideration of the sale of the property to which it is entitled. Sale of properties that is not governed under the HDA, will be assessed on a contract by contract basis, to establish the Group's enforceable right to payment for performance completed to date.

(d) Accounting for incremental costs of obtaining a contract

The Group's existing accounting policy is to expense off costs in obtaining a contract, which mainly include legal fees and sales commissions, to obtain the contracts. Under MFRS 15, these costs are recognised as an asset as the Group expects to recover those costs. These capitalised costs will then be amortised over the duration of the contract.

(e) Presentation of contract assets and contract liabilities

MFRS 15 requires separate presentation of contract assets and contract liabilities in the balance sheet. This will result in some reclassifications as of 1 April 2018, which are currently included in other balance sheet line items. Contract assets identified are mainly the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over cumulative billings to-date whilst contract liability is the obligation to transfer goods or services to the customers for which the Group has received the consideration or have billed the customers.

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

Notes to the reconciliations (cont'd)

(ii) Adoption of MFRS 15 *Revenue from Contracts with Customers* (cont'd)MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related interpretations. (cont'd)

The following table presents the impact of changes to the statements of financial position of the Group and of the Company resulting from early adoption of MFRS 15 as at 1 April 2018:

	As at 31 March 2018 RM'000	Changes RM'000	As at 1 April 2018 RM'000
<b>Group</b>			
<b>Current assets</b>			
Trade and other receivables	69,541	(5,977)	63,564
Contract assets	-	5,977	5,977
<b>Current liabilities</b>			
Contract liabilities	-	-	-

(iii) Adoption of MFRS 16 *Leases*

As a result of the adoption of MFRS 16 *Leases*, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statements of financial position. For a lessor, MFRS 16 continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of lease differently.

The following table presents the impact of changes to the statements of financial position of the Group and of the Company resulting from early adoption of MFRS 16 as at 31 March 2017:

	Note	As at 31 March 2017 RM	Changes RM	As at 31 March 2017 RM
<b>Group</b>				
<b>Non-current assets</b>				
Right-of-use assets	(a)	-	2,526	2,526
<b>Current liabilities</b>				
Lease liabilities	(b)	-	1,014	1,014
<b>Non-current liabilities</b>				
Lease liabilities	(b)	-	1,588	1,588
<b>Total lease liabilities</b>		-	2,602	2,602

## Notes to the Financial Statement

31 March 2019

## 45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)

## 45.2 Explanation of transition to MFRSs (cont'd)

Notes to the reconciliations (cont'd)

(iii) Adoption of MFRS 16 Leases (cont'd)

	Note	As at 31 March 2017 RM	Changes RM	As at 31 March 2017 RM
<b>Company</b>				
<b>Non-current assets</b>				
Right-of-use assets	(a)	-	1,451	1,451
<b>Current liabilities</b>				
Lease liabilities	(b)	-	427	427
<b>Non-current liabilities</b>				
Lease liabilities	(b)	-	1,070	1,070
<b>Total lease liabilities</b>		-	1,497	1,497

The following table presents the impact of changes to the statements of financial position of the Group and of the Company resulting from early adoption of MFRS 16 as at 31 March 2018:

	Note	As at 31 March 2018 RM	Changes RM	As at 31 March 2018 RM
<b>Group</b>				
<b>Non-current assets</b>				
Right-of-use assets	(a)	-	2,067	2,067
<b>Current liabilities</b>				
Lease liabilities	(b)	-	931	931
<b>Non-current liabilities</b>				
Lease liabilities	(b)	-	1,233	1,233
<b>Total lease liabilities</b>		-	2,164	2,164
<b>Company</b>				
<b>Non-current assets</b>				
Right-of-use assets	(a)	-	1,302	1,302
<b>Current liabilities</b>				
Lease liabilities	(b)	-	455	455
<b>Non-current liabilities</b>				
Lease liabilities	(b)	-	915	915
<b>Total lease liabilities</b>		-	1,370	1,370

- (a) The right-of-use assets comprise building, office equipment and vessel recognised during the financial year. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.
- (b) The lease liabilities are recognised and discounted using the incremental borrowing rate of 5.27%. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification.
- (c) The Group and the Company have elected to early adopt MFRS 16 which is mandatory for financial periods beginning on or after 1 January 2019. Comparative figures for the financial year ended 2019 in these financial statements have been restated to give effect to these changes.

## Notes to the Financial Statement

31 March 2019

**45. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (cont'd)****45.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019**

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

<b>Title</b>	<b>Effective Date</b>
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

# Properties Owned by ENRA Group

Location/ Address	Built-Up Area (Sq. Ft.)	Existing Use/ Description of Property	Tenure	Approximate Age of Building	Carrying Amount As At 31 March 2019 (RM'000)	Asset Category
Condominium units:						
C-23A-08	873	Residential unit for sale	Leasehold	3 years	7,616	Inventories
C-35-03A	873	Residential unit for sale	Leasehold			
R-23A-08	873	Residential unit for sale	Leasehold			
R-10-05	897	Residential unit for sale	Leasehold			
R-09-03A	1,054	Residential unit for sale	Leasehold			
C-10-03A	1,054	Residential unit for sale	Leasehold			
R-08-01	1,272	Residential unit for sale	Leasehold			
R-13A-03A	1,054	Residential unit for sale	Leasehold			
R-15-01	1,272	Sold	Leasehold			
C-13A-11	1,272	SPA signed pending completion	Leasehold			
R-25-08	897	Booked by a potential buyer	Leasehold			
R-08-12	1,272	Booked by a potential buyer	Leasehold			
located at Shamelin Star Residences, 36A, Jalan 4/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur (owned by ENRA Group Berhad)						
Marjorie Hume House, Church Walk, Church Street, Rugby, the United Kingdom, held under title WK205515 (owned by Caldecott Square Rugby Ltd)	N/A	Abandoned building (to be redeveloped)	Freehold	130 years	21,259	Inventories
Herbert Gray College, Little Church Street, Rugby, the United Kingdom, held under title WK167310 (owned by Caldecott Square Rugby Ltd)	N/A	Abandoned building (to be redeveloped)	Freehold	170 years		
St Andrew's Church House, Church Walk, Church Street, Rugby, the United Kingdom, held under title WK462131 (owned by Abode Caldecott Square Development Ltd)	N/A	Abandoned building (to be redeveloped)	Freehold	80 years		

## Properties Owned by ENRA Group

Location/ Address	Built-Up Area (Sq. Ft.)	Existing Use/ Description of Property	Tenure	Approximate Age of Building	Carrying Amount As At 31 March 2019 (RM'000)	Asset Category
4 Units of Flats and 1 Freehold Title held under Title Number: NGL748650						
Flat 1	2,694	Residential unit for sale	999 lease	} 213 years	} 48,793	} Inventories
Flat 2	1,145	Residential unit for sale	999 lease			
Flat 3	874	Residential unit for sale	999 lease			
Flat 4	882	Residential unit for sale	999 lease			
Freehold title in a 5 storey Grade II Listed Building known as 93 Great Titchfield Street, W1W 6RP London, United Kingdom. (owned by Fitzrovia Development Ltd)	(6,272 including common areas)	Freehold title for sale	Freehold			
Leasehold land under title: PN 9958, Lot 6120 Mukim Teluk Kalung Daerah Kemaman Negeri Terengganu (owned by ENRA Kimia Sdn Bhd)	10,017 square meter (2.475 acres)	Industrial land	Leasehold until 26 Dec 2070	N/A	1,258	Property, plant and equipment
Leasehold land (yet to be reclaimed), under title Pajakan Negeri No. Hakmilik 11169, Lot 30648, Daerah Wilayah Persekutuan Labuan. (owned by ENRA Labuan Sdn Bhd)	60 acres (24.28 hectares)	Undersea land (yet to be reclaimed)	Leasehold until 26 May 2076	N/A	7,787	Property, plant and equipment

# Analysis of Shareholdings

As at 30 June 2019

Issued Share Capital : 136,207,943 Ordinary Shares  
Voting Rights : 1 Vote per Ordinary Share

## SHAREHOLDINGS DISTRIBUTION

Size of Shareholdings	No. of Shareholders	%*	No. of Shares	%*
Less than 100 shares	287	14.39	7,041	0.01
100 to 1,000 shares	1,195	59.93	799,312	0.59
1,001 to 10,000 shares	406	20.36	1,343,275	1.00
10,001 to 100,000 shares	58	2.91	1,906,530	1.41
100,001 to less than 5% of issued shares	42	2.11	67,662,385	50.15
5% and above of issued shares	6	0.30	63,200,000	46.84
	1,994	100.00	134,918,543	100.00

\* Excluding a total of 1,289,400 ordinary shares bought back by the Company and retained as treasury shares.

## THIRTY LARGEST SHAREHOLDERS (as per Record of Depositors)

No.	Name of Shareholders	No. of Shares	%*
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TRILLION ICON SDN. BHD.</i>	15,100,000	11.19
2.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR MIZREEN CAPITAL SDN. BHD. (MBB HK-417261)</i>	14,400,000	10.67
3.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR AMIRA PROPERTIES SDN. BHD. (PB)</i>	9,500,000	7.04
4.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR ACCENTVEST SDN. BHD. (PB)</i>	9,500,000	7.04
5.	KAF NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR KAMALUDDIN BIN ABDULLAH (KA1177)</i>	7,650,000	5.67
6.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR KAMALUDDIN BIN ABDULLAH</i>	7,050,000	5.23
7.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	6,602,500	4.89
8.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR PALING TERBILANG SDN. BHD. (PB)</i>	6,000,000	4.45
9.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB BANK FOR TRILLION ICON SDN. BHD. (PB)</i>	5,650,000	4.19
10.	URUSHARTA JAMAAH SDN. BHD.	5,000,000	3.71
11.	AMBANK (M) BERHAD <i>PLEDGED SECURITIES ACCOUNT FOR ALI BIN ABDUL KADIR (SMART)</i>	4,400,000	3.26
12.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB BANK FOR SIVA KUMAR A/L M JEYAPALAN (PBCL-0G0015)</i>	3,115,900	2.31
13.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR KOK KONG CHIN (PB)</i>	3,000,000	2.22

## Analysis of Shareholdings

As at 30 June 2019

### THIRTY LARGEST SHAREHOLDERS (cont'd)

No.	Name of Shareholders	No. of Shares	%*
14.	M & A NOMINEE (ASING) SDN. BHD. <i>INSAS CREDIT &amp; LEASING SDN. BHD. FOR NEW LAKE INVESTMENTS LIMITED</i>	3,000,000	2.22
15.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR MAYBANK KIM ENG SECURITIES PTE. LTD.</i>	3,000,000	2.22
16.	RHB NOMINEES (TEMPATAN) SDN. BHD. <i>TS LAW GROUP SDN. BHD.</i>	2,863,885	2.12
17.	M & A NOMINEE (ASING) SDN. BHD. <i>INSAS CREDIT &amp; LEASING SDN. BHD. FOR NOVEL PIONEER GLOBAL LIMITED</i>	2,157,400	1.60
18.	SHARIFAH SALWA BINTI SYED KAMARUDDIN	2,000,000	1.48
19.	M & A NOMINEE (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR MIZREEN CAPITAL SDN. BHD. (M&amp;A)</i>	1,762,000	1.31
20.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR YAU KOK SENG (001)</i>	1,570,000	1.16
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK (8058967)</i>	1,350,000	1.00
22.	HSBC NOMINEES (ASING) SDN. BHD. <i>EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)</i>	1,274,700	0.94
23.	RHB NOMINEES (ASING) SDN. BHD. <i>EXEMPT AN FOR RHB SECURITIES SINGAPORE PTE. LTD. (A/C CLIENTS)</i>	1,240,000	0.92
24.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR AZMIL KHALILI BIN KHALID (PB)</i>	1,100,000	0.82
25.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOH CHEN YOOK (8089132)</i>	1,000,000	0.74
26.	ANUAR BIN AHMAD	1,000,000	0.74
27.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR WEE YIAW HIN @ ONG YIAW HIN (PB)</i>	1,000,000	0.74
28.	M & A NOMINEE (ASING) SDN. BHD. <i>INSAS CREDIT &amp; LEASING SDN. BHD. FOR USG SERVICES LIMITED</i>	1,000,000	0.74
29.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR AZMIL KHALILI BIN KHALID</i>	1,000,000	0.74
30.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>CIMB FOR INTELEK KUASA SDN. BHD. (PB)</i>	750,000	0.56
<b>TOTAL</b>		<b>124,036,385</b>	<b>91.93</b>

\* Excluding a total of 1,289,400 ordinary shares bought back by the Company and retained as treasury shares.

## Analysis of Shareholdings

As at 30 June 2019

### SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares Held			
		Direct Interest	%*	Indirect Interest	%*
1.	Tan Sri Dato' Kamaluddin bin Abdullah	15,357,629	11.38	28,150,000 a	20.86
2.	Dato' Azrene binti Abdullah	-	-	43,507,629 b	32.25
3.	Luminor Pacific Fund 1 Ltd	-	-	19,000,000 c	14.08
4.	Dato' Mazlin bin Md Junid	-	-	16,145,000 d	11.97
5.	Izreen Natalia binti Mazlin	-	-	16,145,000 d	11.97
6.	Ikhmal Mirza bin Mazlin	-	-	16,145,000 d	11.97
7.	Trillion Icon Sdn. Bhd.	20,750,000	15.38	-	-
8.	Mizreen Capital Sdn. Bhd.	16,145,000	11.97	-	-
9.	Accentvest Sdn. Bhd.	9,500,000	7.04	-	-
10.	Amira Properties Sdn. Bhd.	9,500,000	7.04	-	-

### DIRECTORS' SHAREHOLDINGS

No.	Name of Substantial Shareholders	No. of Shares Held			
		Direct Interest	%*	Indirect Interest	%*
1.	Datuk Ali bin Abdul Kadir	4,400,000	3.26	-	-
2.	Tan Sri Dato' Kamaluddin bin Abdullah	15,357,629	11.38	28,150,000 a	20.86
3.	Dato' Mazlin bin Md Junid	-	-	16,145,000 d	11.97
4.	Kok Kong Chin	3,000,000	2.22	-	-
5.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	-	-	2,000,000 e	1.48
6.	Datuk Anuar bin Ahmad	1,000,000	0.74	-	-
7.	Dato' Wee Yaw Hin	1,000,000	0.74	-	-
8.	Loh Chen Yook	1,053,000	0.78	-	-

#### Notes:

- a Indirect interest held through Trillion Icon Sdn. Bhd., Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("the Act")
- b Indirect interest held through (a) her spouse, Tan Sri Dato' Kamaluddin bin Abdullah's direct interest in the Company, (b) Trillion Icon Sdn. Bhd. in which she and her spouse are entitled to exercise not less than 20% of the voting shares and (c) her spouse's indirect interests held through Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. pursuant to Section 8 (4) of the Act.
- c Indirect interest held through Accentvest Sdn. Bhd. and Amira Properties Sdn. Bhd. pursuant to Section 8(4) of the Act.
- d Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- e Indirect interest held through his spouse, Puan Sri Sharifah Salwa Syed Kamaruddin's direct interest in the Company pursuant to Section 59(11)(c) of the Act.

\* Excluding 1,289,400 ordinary shares bought back by the Company and retained as treasury shares.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Twenty-Seventh (27th) Annual General Meeting of ENRA Group Berhad (“Company”) will be held at Yayasan Budi Penyayang Malaysia, Dewan Penyayang Level 2, Wisma Penyayang, No. 6 Jalan Equine, Taman Equine, Bandar Putra Permai, 43300 Seri Kembangan, Selangor Darul Ehsan on Thursday, 19 September 2019 at 10.00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.                         | (Please refer to Note 1 of the Explanatory Notes) |
| 2. | To re-elect Tan Sri Dato’ Kamaluddin bin Abdullah who retires in accordance with Article 76 of the Articles of Association of the Company.   | (Ordinary Resolution 1)                           |
| 3. | To re-elect Datuk Anuar bin Ahmad who retires in accordance with Article 76 of the Articles of Association of the Company.   | (Ordinary Resolution 2)                           |
| 4. | To re-elect Dato’ Wee Yiau Hin @ Ong Yiau Hin who retires in accordance with Article 76 of the Articles of Association of the Company.   | (Ordinary Resolution 3)                           |
| 5. | To approve the Directors’ fees and benefits payable to the Non-Executive Directors of up to RM500,000 with effect from 20 September 2019 until the next Annual General Meeting of the Company. | (Ordinary Resolution 4)                           |
| 6. | To re-appoint Messrs BDO PLT as Auditors of the Company for the financial year ending 31 March 2020 and to authorise the Directors to fix their remuneration.                                  | (Ordinary Resolution 5)                           |

## AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions, with or without modifications:

- |    |   |                         |
|----|---|-------------------------|
| 7. | <b>Proposed renewal of authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016</b>  | (Ordinary Resolution 6) |
|    | <p>“<b>THAT</b> subject always to the Companies Act 2016, the Constitution of the Company and approval of governmental and/or regulatory authorities (if any), the Directors of the Company be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued.”</p> |                         |
| 8. | <b>Proposed renewal of authority for the purchase by the Company of its own shares (“Proposed Share Buy-Back Authority”)</b>  | (Ordinary Resolution 7) |
|    | <p>“<b>THAT</b> subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:-</p>  |                         |

## Notice of Annual General Meeting

- (a) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of the purchase(s) and if the Company ceases to hold all or part of such shares purchased as a result of, amongst others, cancellation, re-sale and/or distribution of the shares purchased, the Company may further purchase such additional shares provided that the total number of additional shares purchased together with such shares still held/retained as treasury shares (if any) does not, in aggregate, exceed ten per centum (10%) of the total number of issued shares of the Company at the time of the purchase(s); and
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

**THAT** the Directors of the Company be and are hereby authorised, at their absolute discretion, to deal with the shares so purchased by retaining the shares purchased as treasury shares or cancelling the shares or retaining part of the shares so purchased as treasury shares and cancelling the remainder or such other manner as allowed under the Companies Act 2016.

**THAT** the authority conferred by this resolution shall commence upon the passing of this ordinary resolution and continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

**AND THAT** authority be and is hereby given to the Directors of the Company to do all acts and things as are necessary to give full effect to the purchase by the Company of its own shares with full powers to assent to any conditions, modifications, variations and/or amendments as the Directors may deem fit and expedient in the interests of the Company or as may be imposed by the relevant authorities."

9. **Proposed adoption of a new Constitution of the Company in place of the existing Memorandum and Articles of Association**

(Special Resolution)

"**THAT** a new Constitution as set out in Appendix III of the Circular to Shareholders dated 31 July 2019 be adopted in place of the existing Memorandum and Articles of Association of the Company and that the Directors and the Company Secretary be and are hereby authorised to do such acts, deeds and things as are necessary and/or expedient to give full effect to the foregoing with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

10. To transact any other business of which due notice shall have been given.

By Order of the Board

CHEONG LISA  
(MAICSA 7009457)  
Company Secretary  
Kuala Lumpur  
31 July 2019

# Notice of Annual General Meeting

## NOTES:

### PROXY:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 September 2019 (General Meeting Record of Depositors) shall be eligible to attend and vote at this Twenty-Seventh (27th) Annual General Meeting or appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company.
- Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.
- The Form of Proxy must be completed, signed and deposited with the Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or adjourned meeting.

## EXPLANATORY NOTES ON ORDINARY BUSINESS:

### 1. Audited Financial Statements

Agenda item no. 1 is meant for discussion only pursuant to Section 340(1)(a) of the Companies Act, 2016 and will not be put forward for voting.

### 2. Non-Executive Directors' ("NEDs") Remuneration

- (a) At the 26th Annual General Meeting ("AGM") of the Company held on 13 September 2018, the shareholders had approved the following amounts of fees and benefits payable to the NEDs in respect of the period from the conclusion of the said 26th AGM until the 27th AGM:
- Directors' fees of up to RM440,000; and
  - benefits of up to RM200,000.

Total amount of the Directors' fees expected to be utilised for the said period (12 months) based on the remuneration policy for NEDs is RM372,000, which is about 85% of the approved amount.

As for the benefits, a total amount of RM94,000 is expected to be utilised based on the schedule of meetings for the remaining period until the conclusion of the 27th AGM. Hence, the expected total utilisation of the approved amount would be approximately 47%.

- (b) Ordinary Resolution No. 4 is to seek shareholders' approval for the Directors' fees and benefits payable to the NEDs for the period commencing from 20 September 2019 until the next AGM of the Company.

During the review of the NEDs' remuneration in May 2019, the Board Nomination and Remuneration Committee ("BNRC") had taken into consideration, amongst others, the Group's cost savings efforts and was of the view that meeting allowance of RM1,000 per meeting day is fair. Upon the recommendation of the BNRC, the Board approved the revised remuneration policy for NEDs as set out below effective 1 October 2019.

	Description	Before Revision	After Revision
Annual Fee	Board Chairman	RM80,000 p.a.	RM80,000 p.a.
	Senior Independent Non-Executive Director	RM70,000 p.a.	RM70,000 p.a.
	Non-Executive Director	RM60,000 p.a.	RM60,000 p.a.
<b>Committee</b>			
Meeting attendance allowance	ARMC Chairman	RM10,000 p.a.	RM10,000 p.a.
	ARMC Member	RM6,000 p.a.	RM6,000 p.a.
	BNRC Chairman	RM6,000 p.a.	RM6,000 p.a.
	BNRC Member	RM4,000 p.a.	RM4,000 p.a.
	All Directors	RM2,000 per day of meeting(s)	RM1,000 per day of meeting(s)

As disclosed under paragraph 2(a) above, total remuneration (comprising fees and benefits) paid and payable to the NEDs since the last AGM until the 27th AGM is expected to aggregate RM466,000.

# Notice of Annual General Meeting

The total remuneration amounting RM500,000 proposed for the period from 20 September 2019 to the next AGM of the Company (12 months period) is computed based on the above revised remuneration policy effective 1 October 2019 for NEDs, taking into account the anticipated number of meetings and assumption that all NEDs will remain in office until the conclusion of the 28th AGM with full attendance at the relevant meetings. The proposed amount also include a contingency sum to cater for the appointment of an additional Director. The fees and meeting allowances will be paid to the NEDs upon completion of service on a quarterly basis.

Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution No. 4 at the 27th AGM.

Details of the Directors' fees and benefits paid to the NEDs for the financial year ended 31 March 2019 are published in the Corporate Governance Report which is available on the Company's corporate website at [www.enra.my](http://www.enra.my).

### 3. **Re-appointment of Auditors**

The Audit and Risk Management Committee ("ARMC") was satisfied that, based on the annual assessment conducted, Messrs BDO PLT meets the criteria as prescribed under Paragraph 15.21 of the Main Market Listing Requirements. The Board at its meeting held on 25 June 2019 agreed with the recommendation from the ARMC for shareholders' approval to be sought at the 27th AGM on the re-appointment of Messrs BDO PLT as external auditors of the Company for the financial year ending 31 March 2020.

## EXPLANATORY NOTES ON SPECIAL BUSINESS:

### 4. **Authority to allot shares**

The Company had, at the 26th Annual General Meeting held on 13 September 2018, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016. At the date of this notice, the Company has not issued any shares pursuant to this mandate obtained.

The proposed Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will empower the Directors of the Company to issue and allot shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as they consider would be in the interest of the Company, including for repayment of bank borrowings, general working capital and raising funds for investments and/or acquisitions. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time.

### 5. **Proposed Share Buy-Back Authority**

The proposed Ordinary Resolution 7, if passed, would empower the Directors of the Company to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

This authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the 28th AGM of the Company or the expiration of the period within which the 28th AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Share Buy-Back Authority is set out in the Circular to Shareholders dated 31 July 2019 which is despatched together with the annual report of the Company for the financial year ended 31 March 2019.

### 6. **Proposed Adoption of a new Constitution in place of the existing Memorandum and Articles of Association**

The Special Resolution, if passed, will enable the Company to adopt a new Constitution that aligns with the Companies Act 2016 which came into force on 31 January 2017 and the updated provisions of the Main Market Listing Requirements of Bursa Securities. Please refer to the Circular to Shareholders dated 31 July 2019 despatched together with the Annual Report of the Company for further information.

## PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# Statement Accompanying Notice Of 27th Annual General Meeting

(Pursuant to Paragraph 8.27 (2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

- 1) The Directors retiring and seeking re-election pursuant to Article 76 of the Company's Articles of Association at the 27th Annual General Meeting ("AGM") are:
  - i. Tan Sri Dato' Kamaluddin bin Abdullah;
  - ii. Datuk Anuar bin Ahmad; and
  - iii. Dato' Wee Yiau Hin @ Ong Yiau Hin.

Profile of the above Directors are set out on pages 7 to 10 of this Annual Report. The details of the Directors' shareholdings in the Company are set out in the section entitled "Analysis of Shareholdings" on pages 164 to 166 of this Annual Report.

- 2) Details of the proposed renewal of the general mandate for the Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 in accordance with Paragraph 6.03 (3) of Bursa Malaysia Securities Berhad Main Market Listing Requirements are set out in the Explanatory Notes on Special Business of the Notice of the 27th AGM on page 170 of this Annual Report.

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CDS Account No.	
No. of Shares Held	

I/We \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_  
of \_\_\_\_\_ being a member / members of ENRA GROUP BERHAD,  
hereby appoint \_\_\_\_\_ NRIC No./Passport No.: \_\_\_\_\_  
of \_\_\_\_\_ or failing whom,  
\_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ or failing whom, the Chairman of  
the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Seventh (27th) Annual General Meeting of  
the Company to be held at Yayasan Budi Penyayang Malaysia, Dewan Penyayang Level 2, Wisma Penyayang, No. 6 Jalan Equine,  
Taman Equine, Bandar Putra Permai, 43300 Seri Kembangan, Selangor Darul Ehsan on Thursday, 19 September 2019 at 10.00 a.m.  
and at any adjournment thereof in the manner as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To re-elect Tan Sri Dato' Kamaluddin bin Abdullah as Director of the Company.		
2	To re-elect Datuk Anuar bin Ahmad as Director of the Company.		
3	To re-elect Dato' Wee Yiau Hin @ Ong Yiau Hin as Director of the Company.		
4	To approve the fees and benefits payable to Non-Executive Directors up to an amount of RM500,000.		
5	To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	To approve authority for Directors to issue shares.		
7	To approve Proposed Share Buy-Back Authority.		
SPECIAL RESOLUTION		FOR	AGAINST
1	To approve proposed adoption of a new Company Constitution.		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of Member/Common Seal

For appointment of two (2) proxies, proportion of shareholdings to be represented by the two (2) proxies is as follows: -		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100%</b>

**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 September 2019 (General Meeting Record of Depositors) shall be eligible to attend and vote at this Twenty-Seventh (27th) Annual General Meeting or appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company.
- Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.
- The Form of Proxy must be completed, signed and deposited at the office of the Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or adjourned meeting.

**PERSONAL DATA POLICY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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AFFIX  
STAMP

**BINA MANAGEMENT (M) SDN. BHD.**  
The Share Registrar of ENRA Group Berhad  
Lot 10, The Highway Centre  
Jalan 51/205  
46050 Petaling Jaya  
Selangor Darul Ehsan

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[www.ENRA.my](http://www.ENRA.my)

**ENRA GROUP BERHAD** (236800-T)

D2-U3-10, Block D2 Solaris Dutamas, No. 1 Jalan Dutamas 1 50480 Kuala Lumpur

Tel: 03-2300 3555 | Fax: 03-2300 3550 | Email: [info@enra.my](mailto:info@enra.my)