

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|                                                                                                                          | As at<br>31 / 12 / 2020<br>RM ' 000 | As at<br>31 / 3 / 2020<br>RM ' 000 |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                                                                            |                                     |                                    |
| <b>Non-current assets</b>                                                                                                |                                     |                                    |
| Property, plant and equipment                                                                                            | 97,417                              | 87,085                             |
| Right of use assets                                                                                                      | 10,832                              | 12,579                             |
| Deferred tax assets                                                                                                      | 260                                 | 225                                |
| Intangible assets                                                                                                        | 3,784                               | 3,997                              |
| Goodwill on acquisitions                                                                                                 | 12,940                              | 12,940                             |
| Contract cost assets                                                                                                     | 458                                 | 909                                |
| Trade receivables                                                                                                        | 1,229                               | 320                                |
|                                                                                                                          | <u>126,920</u>                      | <u>118,055</u>                     |
| <b>Current assets</b>                                                                                                    |                                     |                                    |
| Inventories                                                                                                              | 60,516                              | 49,476                             |
| Trade and other receivables                                                                                              | 22,195                              | 72,167                             |
| Derivative assets                                                                                                        | 1,957                               | 225                                |
| Current tax assets                                                                                                       | 1,103                               | 602                                |
| Cash and bank balances                                                                                                   | 27,595                              | 53,613                             |
|                                                                                                                          | <u>113,366</u>                      | <u>176,083</u>                     |
| <b>TOTAL ASSETS</b>                                                                                                      | <u><b>240,286</b></u>               | <u><b>294,138</b></u>              |
| <b>EQUITY AND LIABILITIES</b>                                                                                            |                                     |                                    |
| <b>Equity attributable to equity holders of the Company</b>                                                              |                                     |                                    |
| Share capital                                                                                                            | 144,744                             | 144,744                            |
| Redeemable convertible preference shares equity                                                                          | 2,886                               | 2,886                              |
| Reserves                                                                                                                 | (28,922)                            | (25,805)                           |
|                                                                                                                          | <u>118,708</u>                      | <u>121,825</u>                     |
| <b>Non-controlling interests</b>                                                                                         | 716                                 | 2,440                              |
| <b>Total equity</b>                                                                                                      | <u>119,424</u>                      | <u>124,265</u>                     |
| <b>Non-current liabilities</b>                                                                                           |                                     |                                    |
| Deferred tax liabilities                                                                                                 | 775                                 | 727                                |
| Trade and other payables                                                                                                 | 13,489                              | 10,788                             |
| Borrowings                                                                                                               | 38,213                              | 33,018                             |
| Leasing liabilities                                                                                                      | 2,285                               | 2,722                              |
| Redeemable convertible preference shares liability                                                                       | 6,349                               | 6,006                              |
|                                                                                                                          | <u>61,111</u>                       | <u>53,261</u>                      |
| <b>Current liabilities</b>                                                                                               |                                     |                                    |
| Trade and other payables                                                                                                 | 30,207                              | 45,819                             |
| Borrowings                                                                                                               | 28,714                              | 69,124                             |
| Leasing liabilities                                                                                                      | 830                                 | 1,074                              |
| Current tax liabilities                                                                                                  | -                                   | 595                                |
|                                                                                                                          | <u>59,751</u>                       | <u>116,612</u>                     |
| <b>Total liabilities</b>                                                                                                 | <u>120,862</u>                      | <u>169,873</u>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                                                      | <u><b>240,286</b></u>               | <u><b>294,138</b></u>              |
| <b>Net assets per share (after deducting the treasury shares)<br/>attributable to equity holders of the Company (RM)</b> | <u><b>0.88</b></u>                  | <u><b>0.90</b></u>                 |

*The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**

(Company No. 199201005296/ 236800-T)

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|                                                                                                                      | <b>Individual Quarter</b> |                       | <b>Cumulative Quarters</b> |                       |
|----------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------|----------------------------|-----------------------|
|                                                                                                                      | <b>31 / 12 / 2020</b>     | <b>31 / 12 / 2019</b> | <b>31 / 12 / 2020</b>      | <b>31 / 12 / 2019</b> |
|                                                                                                                      | <b>RM ' 000</b>           | <b>RM ' 000</b>       | <b>RM ' 000</b>            | <b>RM ' 000</b>       |
| Revenue                                                                                                              | 23,924                    | 50,881                | 85,030                     | 144,435               |
| Cost of sales                                                                                                        | (14,391)                  | (39,547)              | (63,413)                   | (113,869)             |
| Gross profit                                                                                                         | 9,533                     | 11,334                | 21,617                     | 30,566                |
| Other operating income                                                                                               | 998                       | 323                   | 3,211                      | 1,747                 |
| Operating expenses                                                                                                   | (7,940)                   | (7,356)               | (22,447)                   | (23,484)              |
| Profit/(Loss) from operations                                                                                        | 2,591                     | 4,301                 | 2,381                      | 8,829                 |
| Lease interest expense                                                                                               | (19)                      | (490)                 | (156)                      | (1,672)               |
| Finance cost                                                                                                         | (1,003)                   | (490)                 | (2,615)                    | (1,073)               |
| Share of results of an associate                                                                                     | -                         | -                     | -                          | (17)                  |
| Profit/(Loss) before taxation                                                                                        | 1,569                     | 3,321                 | (390)                      | 6,067                 |
| Taxation                                                                                                             | (105)                     | (1,116)               | (458)                      | (1,719)               |
| Profit/(Loss) for the financial period                                                                               | 1,464                     | 2,205                 | (848)                      | 4,348                 |
| <b>Other comprehensive income, net of tax</b>                                                                        |                           |                       |                            |                       |
| Foreign currency translation differences for foreign operations                                                      | (1,341)                   | 722                   | (2,252)                    | 138                   |
| <b>Total comprehensive income /(loss) for the financial period</b>                                                   | <b>123</b>                | <b>2,927</b>          | <b>(3,100)</b>             | <b>4,486</b>          |
| Profit/(Loss) attributable to:-                                                                                      |                           |                       |                            |                       |
| Equity holders of the Company                                                                                        | 552                       | 1,981                 | (621)                      | 2,793                 |
| Non-controlling interests                                                                                            | 912                       | 224                   | (227)                      | 1,555                 |
|                                                                                                                      | 1,464                     | 2,205                 | (848)                      | 4,348                 |
| Total comprehensive (loss)/income attributable to:-                                                                  |                           |                       |                            |                       |
| Equity holders of the Company                                                                                        | (64)                      | 2,511                 | (1,431)                    | 2,910                 |
| Non-controlling interests                                                                                            | 187                       | 416                   | (1,669)                    | 1,576                 |
|                                                                                                                      | 123                       | 2,927                 | (3,100)                    | 4,486                 |
| <b>Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):</b> |                           |                       |                            |                       |
| (a) Basic                                                                                                            | 0.41                      | 1.47                  | (0.47)                     | 2.07                  |
| (b) Fully diluted                                                                                                    | 0.31                      | n/a                   | (0.35)                     | n/a                   |

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD  
(Company No. 199201005296/ 236800-T)  
UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

|                                                               | Attributable to equity holders of the Company |                                                               |                                 |                                                |                                |                                     |                   |                                              |                          |
|---------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------|---------------------------------|------------------------------------------------|--------------------------------|-------------------------------------|-------------------|----------------------------------------------|--------------------------|
|                                                               | Non-distributable                             |                                                               |                                 |                                                | Distributable                  |                                     |                   |                                              |                          |
|                                                               | Share Capital<br>RM ' 000                     | Redeemable<br>Convertible<br>Preference<br>Shares<br>RM ' 000 | Capital<br>Reserves<br>RM ' 000 | Exchange<br>Translation<br>Reserve<br>RM ' 000 | Treasury<br>Shares<br>RM ' 000 | (Accumulated<br>Losses)<br>RM ' 000 | Total<br>RM ' 000 | Non-<br>controlling<br>Interests<br>RM ' 000 | Total Equity<br>RM ' 000 |
| Financial period ended 31 December 2020                       |                                               |                                                               |                                 |                                                |                                |                                     |                   |                                              |                          |
| As at 1 April 2020                                            | 144,744                                       | 2,886                                                         | -                               | 371                                            | (1,199)                        | (24,977)                            | 121,825           | 2,440                                        | 124,265                  |
| Loss for the financial period                                 | -                                             | -                                                             | -                               | -                                              | -                              | (621)                               | (621)             | (227)                                        | (848)                    |
| Other comprehensive loss, net of tax                          | -                                             | -                                                             | -                               | (810)                                          | -                              | -                                   | (810)             | (1,442)                                      | (2,252)                  |
| Total comprehensive loss                                      | -                                             | -                                                             | -                               | (810)                                          | -                              | (621)                               | (1,431)           | (1,669)                                      | (3,100)                  |
| Dividends to equity holders of the Company                    | -                                             | -                                                             | -                               | -                                              | -                              | (1,686)                             | (1,686)           | -                                            | (1,686)                  |
| Dilution of non-controlling interest in subsidiaries          | -                                             | -                                                             | -                               | -                                              | -                              | -                                   | -                 | (55)                                         | (55)                     |
| Total transactions with owners                                | -                                             | -                                                             | -                               | -                                              | -                              | (1,686)                             | (1,686)           | (55)                                         | (1,741)                  |
| As at 31 December 2020                                        | 144,744                                       | 2,886                                                         | -                               | (439)                                          | (1,199)                        | (27,284)                            | 118,708           | 716                                          | 119,424                  |
| Financial period ended 31 March 2020                          |                                               |                                                               |                                 |                                                |                                |                                     |                   |                                              |                          |
| As at 1 April 2019                                            | 144,744                                       | 2,886                                                         | 275                             | 53                                             | (1,199)                        | (23,684)                            | 123,075           | (2,199)                                      | 120,876                  |
| Profit for the financial period                               | -                                             | -                                                             | -                               | -                                              | -                              | 2,793                               | 2,793             | 1,555                                        | 4,348                    |
| Other comprehensive loss, net of tax                          | -                                             | -                                                             | (275)                           | 117                                            | -                              | 275                                 | 117               | 21                                           | 138                      |
| Total comprehensive (loss)/income                             | -                                             | -                                                             | (275)                           | 117                                            | -                              | 3,068                               | 2,910             | 1,576                                        | 4,486                    |
| Dividends to equity holders of the Company                    | -                                             | -                                                             | -                               | -                                              | -                              | (4,048)                             | (4,048)           | -                                            | (4,048)                  |
| Dividends to non-controlling interests                        | -                                             | -                                                             | -                               | -                                              | -                              | -                                   | -                 | (160)                                        | (160)                    |
| Issue of shares by subsidiaries to a non-controlling interest | -                                             | -                                                             | -                               | -                                              | -                              | -                                   | -                 | 116                                          | 116                      |
| Issuance capital contribution reserve                         | -                                             | -                                                             | -                               | -                                              | -                              | -                                   | -                 | 2,046                                        | 2,046                    |
| Total transactions with owners                                | -                                             | -                                                             | -                               | -                                              | -                              | (4,048)                             | (4,048)           | 2,002                                        | (2,046)                  |
| As at 31 December 2019                                        | 144,744                                       | 2,886                                                         | -                               | 170                                            | (1,199)                        | (24,664)                            | 121,937           | 1,379                                        | 123,316                  |

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes to the interim financial statements.

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|                                                                    | <b>Cumulative quarters ended</b> |                       |
|--------------------------------------------------------------------|----------------------------------|-----------------------|
|                                                                    | <b>31 / 12 / 2020</b>            | <b>31 / 12 / 2019</b> |
|                                                                    | <b>RM ' 000</b>                  | <b>RM ' 000</b>       |
| <b>Cash flows from operating activities</b>                        |                                  |                       |
| (Loss)/Profit before taxation                                      | (390)                            | 6,067                 |
| Adjustments for non-cash items:                                    |                                  |                       |
| Written back of provision for impairment loss on trade receivables | (909)                            | (346)                 |
| Depreciation of property, plant and equipment                      | 5,669                            | 850                   |
| Depreciation of right of use assets                                | 713                              | 15,371                |
| Amortisation of intangible assets                                  | 212                              | 206                   |
| Fair value (gain)/loss on derivatives                              | (1,732)                          | 323                   |
| Gain on disposal of property, plant and equipment                  | (99)                             | -                     |
| Unrealised loss on foreign exchange                                | (374)                            | 248                   |
| Unwinding of redeemable convertible preference shares discount     | 342                              | 318                   |
| Fair value changes on contingent consideration                     | -                                | (126)                 |
| Share of results of an associate                                   | -                                | 17                    |
| Lease interest expense                                             | 156                              | 1,672                 |
| Interest expense                                                   | 2,615                            | 1,073                 |
| Interest income                                                    | (224)                            | (885)                 |
| Operating profit before changes in working capital                 | 5,979                            | 24,788                |
| Changes in working capital                                         | 19,206                           | (53,812)              |
| Tax paid                                                           | (1,541)                          | (2,396)               |
| <b>Net cash generated from operating activities</b>                | <b>23,644</b>                    | <b>(31,420)</b>       |
| <b>Cash flows from investing activities</b>                        |                                  |                       |
| Interest received                                                  | 224                              | 885                   |
| Placement of pledged deposits                                      | (2,234)                          | (4,681)               |
| Gain on dilution of non-controlling interest in subsidiaries       | (55)                             | -                     |
| Proceeds from disposal of property, plant and equipment            | 272                              | -                     |
| Acquisition of:                                                    |                                  |                       |
| - right of use assets                                              | -                                | (30)                  |
| - property, plant and equipment                                    | (19,923)                         | (1,941)               |
| - subsidiaries, net of cash                                        | -                                | (77)                  |
|                                                                    | -                                |                       |
| <b>Net cash used in investing activities</b>                       | <b>(21,716)</b>                  | <b>(5,844)</b>        |
| <b>Cash flows from financing activities</b>                        |                                  |                       |
| Interest paid                                                      | (2,615)                          | (1,073)               |
| Dividends paid to:                                                 |                                  |                       |
| - equity holders of the Company                                    | (1,686)                          | (4,048)               |
| - non-controlling interests                                        | -                                | (160)                 |
| Net (repayment)/drawdown of borrowings                             | (26,519)                         | 57,109                |
| Repayment of lease liabilities                                     | (708)                            | (18,311)              |
| <b>Net cash used in financing activities</b>                       | <b>(31,528)</b>                  | <b>33,517</b>         |
| Net decrease in cash and cash equivalents                          | (29,600)                         | (3,747)               |
| Cash and cash equivalents at beginning of financial period         | 43,457                           | 22,836                |
| Effect of foreign currency exchange rate changes                   | (27)                             | (138)                 |
| Cash and cash equivalents at end of financial period               | <b>13,830</b>                    | <b>18,951</b>         |
| Cash and cash equivalents comprise:-                               |                                  |                       |
| Cash and bank balances                                             | 27,595                           | 31,737                |
| Less: Bank overdrafts                                              | (1,375)                          | (1,659)               |
| Deposits pledged to licensed banks                                 | (12,390)                         | (11,127)              |
|                                                                    | <b>13,830</b>                    | <b>18,951</b>         |

*The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes to the interim financial statements.*

**Compliance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Securities Berhad Listing Requirements****1 Basis of preparation**

The interim financial report are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("BMSB") Listing Requirements. The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2020.

**2 Changes in Significant Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2020, except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing on or after the stated dates:

| <b>Title:</b>                                                                                                           | <b>Effective date for the financial period commencing</b> |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <i>Amendments to References to the Conceptual Framework in MFRS Standards</i>                                           | 1 January 2020                                            |
| <i>Amendments to MFRS 3 Business Combinations - Definition of a Business</i>                                            | 1 January 2020                                            |
| <i>Amendments to MFRS 101 Presentation of Financial Statements - Definition of Material</i>                             | 1 January 2020                                            |
| <i>Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Materials</i> | 1 January 2020                                            |
| <i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Financial Instruments - Interest Rate Benchmark Reform</i>                 | 1 January 2020                                            |
| <i>Amendment to MFRS 16 Covid-19-Related Rent Concessions</i>                                                           | 1 June 2020<br>(early adopt)                              |
| <i>Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption for Applying MFRS 9</i>              | 17 August 2020<br>(early adopt)                           |

The standards and amendments that are issued but not yet effective for the adoption by the Group in the current financial year up to the date of this interim report are disclosed below:

| <b>Title:</b>                                                                                                                   | <b>Effective date for the financial period commencing</b> |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <i>Amendment to MFRS 16 Covid-19-Related Rent Concessions</i>                                                                   | 1 June 2020                                               |
| <i>Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform - Phase 1</i>                    | 1 January 2021                                            |
| <i>Annual Improvements to MFRS Standards 2018 - 2020</i>                                                                        | 1 January 2022                                            |
| <i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>                                                               | 1 January 2022                                            |
| <i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>                                      | 1 January 2022                                            |
| <i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>                                                 | 1 January 2022                                            |
| <i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current</i>                                           | 1 January 2023                                            |
| <i>MFRS 17 Insurance Contracts</i>                                                                                              | 1 January 2023                                            |
| <i>Amendments to MFRS 17 Insurance Contracts</i>                                                                                | 1 January 2023                                            |
| <i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred                                                  |

The Group does not expect any material changes to the financial statements of the Group when the above standards and amendments become effective.

**3 Qualification of auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 March 2020 was not subject to any audit qualification.

**4 Seasonal and cyclical factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

**5 Unusual items due to their nature, size and incidence**

There were no items during the financial period under review affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence other than the material items disclosed in Note 20.

**6 Changes in estimates**

There were no changes in estimates which have a material effect on the results of the current financial period under review other than material items disclosed in Note 20.

**7 Debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities of the Company during the current financial period under review.

a) Free Warrants

The proposed issuance of up to 45,402,647 free warrants in the Company on the basis of 1 warrant for every 3 existing shares, with conversion of 1 warrant for 1 new share of an exercise price to be determined later by the Board, has been approved by the shareholders in the Extraordinary General Meeting ("EGM") on 25 September 2020.

On 23 December 2020, up to 45,402,647 free warrants has been issued on the basis of 1 Warrant for every 3 existing shares. The securities will be traded and quoted "[ex-bonus issue]" as from 22 December 2020 and the last date of lodgement was on 23 December 2020.

On 7 January 2021, the issuance of the Free Warrants has been completed following the listing of and quotation for 44,971,973 Warrants on the Main Market of Bursa Securities. The calculation of diluted earnings per share arising from these free warrants is shown in Note 28.

b) Allotment and issuance of new shares under Section 75 and 76 of Companies Act 2016

The Shareholders have given the Directors the renewed mandate to allot and issue new shares up to 10% of the total number of existing issued shares from 25 September 2020 to the conclusion of the next Annual General Meeting ("AGM").

c) Shares Buy Back/ Treasury Shares

The Shareholders have given the Directors the renewed mandate to purchase its own shares from 25 September 2020 to the conclusion of the next AGM subject to:

- i) The aggregate number of shares purchased does not exceed 10% of the total number of shares at the time of purchase.
- ii) The maximum fund for the purchase shall not exceed the Company's retained earnings at the time of purchase.

As of 31 December 2020, 1.289 million treasury shares at RM1.199 million is held by the Company.

d) Employees' Shares Scheme ("ESS")

In the EGM on 9 February 2018, the Shareholders have approved the ESS comprising Employees' Option Scheme ("ESOS") and Employees' Share Grant ("ESG") that came into effect on 12 February 2018 and shall be in force until 11 February 2023. The ESS may be extended by the Directors for a maximum of another 5 years. The maximum new shares to be issued is 15% of the existing shares. No ESS has been issued to date.

**8 Dividends paid to equity holders of the Company**

The Company paid interim single tier dividend of 1.25 sen per share of RM1.69 million on 29 May 2020 (Note 30).

**9 Revenue**

The disaggregation of Group's revenue by major products and services are as follows:

|                                       | Cumulative Quarters |                |
|---------------------------------------|---------------------|----------------|
|                                       | 31 / 12 / 2020      | 31 / 12 / 2019 |
|                                       | RM'000              | RM'000         |
| <b>Products and services:</b>         |                     |                |
| Sale of properties                    | 489                 | 41,965         |
| Sale of trading goods                 | 46,093              | 58,243         |
| Leasing                               | 25,865              | 25,516         |
| Services rendered                     | 12,583              | 18,711         |
|                                       | <u>85,030</u>       | <u>144,435</u> |
| <b>Timing of revenue recognition:</b> |                     |                |
| At a point in time                    | 46,583              | 100,884        |
| Over time                             | 38,447              | 43,551         |
|                                       | <u>85,030</u>       | <u>144,435</u> |

**10 Segmental information**

|                                                             | Property<br>development<br>RM'000 | Energy<br>services<br>RM'000 | Investment<br>holdings and<br>others<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------------------------------------|-----------------------------------|------------------------------|------------------------------------------------|------------------------|
| <b>Financial period ended 31 December 2020</b>              |                                   |                              |                                                |                        |
| <b>Revenue</b>                                              |                                   |                              |                                                |                        |
| - External                                                  | 490                               | 84,540                       | -                                              | 85,030                 |
| <b>Results</b>                                              |                                   |                              |                                                |                        |
| Operating (loss)/profit                                     | (401)                             | 8,946                        | (6,388)                                        | 2,157                  |
| Interest income                                             |                                   |                              |                                                | 224                    |
| Lease interest expense                                      |                                   |                              |                                                | (156)                  |
| Finance cost                                                |                                   |                              |                                                | (2,615)                |
| Tax expense                                                 |                                   |                              |                                                | (458)                  |
| Profit for the financial period                             |                                   |                              |                                                | <u>(848)</u>           |
| Earning before interest, tax, depreciation and amortisation | (274)                             | 15,242                       | (5,993)                                        | 8,975                  |
| <b>Financial period ended 30 December 2019</b>              |                                   |                              |                                                |                        |
| <b>Revenue</b>                                              |                                   |                              |                                                |                        |
| - External                                                  | 41,965                            | 102,470                      | -                                              | 144,435                |
| <b>Results</b>                                              |                                   |                              |                                                |                        |
| Operating profit/(loss)                                     | 489                               | 14,610                       | (7,172)                                        | 7,927                  |
| Interest income                                             |                                   |                              |                                                | 885                    |
| Lease interest expense                                      |                                   |                              |                                                | (1,672)                |
| Finance cost                                                |                                   |                              |                                                | (1,073)                |
| Tax expense                                                 |                                   |                              |                                                | (1,719)                |
| Profit for the financial period                             |                                   |                              |                                                | <u>4,348</u>           |
| Earning before interest, tax, depreciation and amortisation | 591                               | 30,415                       | (6,858)                                        | 24,354                 |

The Group's reportable segments are operating segments or aggregations of operation segments with 10% or more contribution in term of revenue or in term of total assets of all operating segments.

## 11 Changes in the composition of the Group

### (a) Termination of Shareholders' Agreements in relation to investment in business ventures.

- (i) On 23 July 2020, a Deed of Termination was entered into between Emrail Sdn Bhd and ENRA Engineering & Construction Sdn Bhd ("EECSB") to mutually rescind and terminate the Shareholder Agreement dated 5 June 2017. Subsequent to the completion of the transfer of shares, EECSB has acquired the remaining 49% equity interest in EEmrail previously held by Emrail Sdn Bhd for RM49 in cash being the date, making EEmrail a wholly-owned subsidiary of EECSB with effect from 27 August 2020.

- (ii) On 21 October 2020, ENRA Oil & Gas Services Sdn Bhd ("EOGS") has entered into a Deed of Termination with AWT International (Decommissioning) Sdn Bhd ("AWT") to mutually rescind and terminate the Shareholders' Agreement dated 26 February 2016.

Following this, EOGS has acquired the balance 49% shares in ENRA Nauticawt Sdn Bhd ("ENSB") from AWT for a cash consideration of RM54,033. ENSB has effectively become a wholly owned subsidiary of EOGS from 26 October 2020, being the date when the transfer of shares was completed.

- (iii) On 18 December 2020, EECSB has made a transfer of its entire shareholding equivalent to 30% shares in Perunding ENRA Sdn Bhd ("PESB") to its major shareholder (70% shares) for a total cash consideration of RM130,000.

### (b) Internal reorganisation

During the financial period, the Company has made the following internal reorganisation in order to streamline and accommodate the future business strategy of the Group, whereby the dormant companies have been given new purposes under Property and Energy Services Divisions.

- (i) On 8 October 2020, EEmrail was effectively transferred from EECSB to Q Homes Sdn Bhd ("Qhomes"), a 51% owned indirect subsidiary of the Company for a cash consideration of RM100 and changed its name to BRP Homes Sdn Bhd on 14 October 2020.
- (ii) On 19 October 2020, the Company has made an internal restructuring involving a transfer of 100% shares in ENRA Icon Sdn Bhd ("EICON") held by EOGS to Enra Land Sdn Bhd ("Eland") for a total cash consideration of RM100,000. EICON name was changed to Hamptons Homes Sdn Bhd on 23 October 2020.
- (iii) On 2 November 2020, EOGS has made a transfer of its 100% shares in ENSB to Enra Kimia Sdn Bhd ("EKSB") for a total cash consideration of RM105,033 and changed its name to ENRA Downstream Services Sdn Bhd on 8 December 2020.

The changes of the composition of the Group above will not have any material effect on the financial position and substantial shareholding of ENRA Group for financial year ending 31 March 2021.

## 12 Legal claims during the year

### (a) Claim against a customer on contract on value of work done

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:

- (i) Letter of Award dated 15 January 2016 ("LOA 1") whereby Gemula appointed EEFAB to undertake the 'Struktur Besi' works for the Project; and
- (ii) 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.

On 6 September 2018, the Adjudicator had determined in EEFAB's favour that:

- (i) Gemula shall pay EEFAB the total outstanding sum of RM10.22 million;
- (ii) 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
- (iii) Gemula shall pay the total costs of adjudication in the amount of RM132,594.

(collectively "Adjudication Decision").

On 8 October 2018, EEFAB, applied to the Construction Court (a division of the High Court) in KL to enforce the Adjudication Decision as a judgement or order of the High Court ("Enforcement Application") as Gemula failed to make payment of the Adjudication Decision within the given time frame.

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:

- (i) Gemula's application to set aside the Adjudication Decision for CIPAA Payment Claim was dismissed with costs in the sum of RM15,000; and
- (ii) the Enforcement was allowed with costs in the sum of RM10,000 to be paid by Gemula.

On 29 January 2019, EEFAB received a Notice of Appeal from Gemula to appeal against the decision of the High Court dated 8 January 2019 (collectively "CIPAA Appeals").

On 20 January 2020, Gemula filed a Notice of Discontinuance of the CIPAA Appeals which was confirmed by the Court of Appeal on 5 February 2020 by way of e-review. The CIPAA Appeals are discontinued and withdrawn without liberty to file afresh.

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 ("Winding Up Petition").

On 25 June 2019, the High Court granted the Winding up Petition initiated by EEFAB against Gemula together with RM15,000 costs to be paid by Liquidator out of assets of Gemula ("Winding Up Order").

On 23 July 2019, Gemula served a Notice to Appeal the Winding Up Order ("Winding Up Appeal").

On 9 January 2020, Gemula filed a Notice of Discontinuance of the Winding Up Appeal. The Winding Up Appeal is discontinued and withdrawn without liberty to file afresh.

In short, the written orders of the High Court for the enforcement of the Adjudication Decision is in favour of EEFAB and the winding up of Gemula remain valid. The Group will announce any material development of the above matter at the appropriate time.

b) Claim against a principal

With reference to Paragraph 12 (a) above, EEFAB filed an Originating Summons in the High Court in KL pursuant to Section 30(1) of CIPAA to apply for, inter alia, an order against the Government of Malaysia ("Government") for payment of the sum of RM3,864,054.80 as monies due and owing by the Government as the principal of the Project to Gemula (currently in liquidation) being the party against whom the Adjudication Decision was made, to be made directly to EEFAB only for the purpose of satisfying any amounts due and owing by Gemula to EEFAB under the Adjudication Decision. EEFAB had, on 27 August 2020, served the sealed Originating Summons on the Attorney General's Chambers.

On 8 February 2021, a sealed consent order dated 3 February 2021 has been received by EEFAB's solicitors, that the parties have achieved the following settlement;

- i) Without admission of liability, the Defendant shall pay the Plaintiff the full sum of RM3,836,454.46 ("Settlement Sum").
- ii) The payment of the Settlement Sum by the Defendant to the Plaintiff represents the full and final settlement of the claims in this Originating Summons Application.
- iii) The payment of the Settlement Sum shall be made on or before 31 March 2021.
- iv) Upon payment of the Settlement Sum, the Plaintiff has no further claims and/or actions against the Defendant arising from this Originating Summons Application.
- v) The Plaintiff and the Defendant shall bear their own respective costs and expenses arising from this Originating Summons Application.

The Group will announce any material developments of the above matter at the appropriate time.

c) Claim against ESPML and writ of summons (in rem) by ESPM and ESPML

On 22 July 2020, ENRA SPM Labuan Limited ("ESPML") a 60% owned indirect subsidiary of the Company received a Notice for Arbitration to commence arbitration proceedings ("Notice of Arbitration") by PT Cakra Manunggal Semesta ("PT CMS").

The alleged claim arises out of a BIMCO Standard Bareboat Charter "BARECON 2001" ("Charterparty") dated 16 October 2017 between ESPML and PT CMS for the vessel known as "MT. BRATASENA" ("Vessel") and a Settlement Agreement dated 9 December 2019 entitled "Mutual Agreement on Exit Terms" between ESPML, PT CMS, ENRA SPM Sdn. Bhd. (the parent company of ESPML) ("ESPM"), and Sea Trust Marine Pte Ltd, a related company to PT CMS (the "Settlement Agreement").

PT CMS allegedly claimed that ESPML is in breach and/or repudiatory breach and/or anticipatory repudiatory breach of the Charterparty and/or Settlement Agreement. PT CMS' claim for damages is currently unspecified.

Pursuant to the arbitration agreement under the Charterparty, the arbitration is referred to the Asian International Arbitration Centre (formerly known as the Kuala Lumpur Regional Centre for Arbitration).

Based on preliminary legal advice obtained, ESPML is of view that the Notice of Arbitration is without merit. ESPML intends to vigorously defend its position and is seeking legal advice for a counter claim against PT CMS for their breaches of the Charterparty and for damages arising under the tort of conversion. No provision has been made to the financial statements in relation to the claim against ESPML.

ESPML and ESPM, had through their solicitors filed a Writ of Summons (in rem) ("Singapore Writ") at the High Court of the Republic of Singapore on 25 July 2020 against PT CMS and/or Demise Charterer of "MT BRATASENA" ("Defendant") filed a Writ in Action in rem at the High Court of Malaya at Kuala Lumpur and at the High Court of Sabah and Sarawak at Kota Kinabalu on 27 July 2020, and at the High Court of Sabah and Sarawak at Kuching on 28 July 2020 (collectively "the Writs"), against PT CMS or other persons interested in the Vessel for claims on damages in relation to the breach and/or repudiatory breach and/or anticipatory repudiatory breach of the Charterparty and/or Settlement Agreement.

Details of the Writs are as follows:

- i) ESPML claims against the Defendants is for damages (to be assessed) together with the interest and costs for various breaches and/or repudiatory breach of the BIMCO Standard Bareboat Charter "BARECON 2001" dated 16 October 2017 and a Mutual Agreement on Exit Terms dated 9 December 2019 and/or for the unlawful detention and/or conversion of the vessel and/or various property on board the said vessel.
- ii) ESPM's claim against the Defendant is for damages (to be assessed), together with interest and costs, for unlawful detention and or/ conversion of the vessel and/or various property on board the said vessel.

On 6 November 2020, ESPML had filed its Response to PT CMS' Notice of Arbitration.

On 11 January 2021, the plaintiffs' writ in the High Court in Sabah and Sarawak at Kuching has been renewed for a period of 6 months from 28 January 2021.

The Group will make the necessary announcements on further developments of the above matter as and when necessary.

c) Claim against SPM Terminal Pty Ltd ("SPMT") as the "1st Respondent" and ESPML as the "2nd Respondent".

On 11 January 2021, ESPML had received a Notice of Arbitration dated 4 January 2021 to commence arbitration proceeding by Controval USA LLC ("Controval" or "Claimant").

The alleged dispute arises out of a Purchase Order purportedly entered into between Controval and Respondents (defined in the Notice of Arbitration as being the 1st Respondent and 2nd Respondent) for inter alia, the engineering, procurement and fabrication of a Leased Automated Custody Transfer with 8" Coriolis Flow Meters unit ("LACT") to be installed in a condensate storing and offloading facilities constructed by the 2nd Respondent on the vessel known as "Ratu ENRA" ("Vessel").

The Claimant allegedly claimed that the Respondents had failed to pay the Claimant for services performed under the Contract (as defined in the said Notice of Arbitration and which includes the said Purchase Order). The Claimant is claiming from the Respondents a sum of USD351,832.42 for unpaid invoices under the Contract, interest on the amount awarded from 7 July 2020 until settlement of the award, all arbitration costs including the Claimant's representative's costs and expenses and such other amounts deemed appropriate by the Arbitral Tribunal. ESPML is of the view that the Notice of Arbitration against it as 2nd respondent is baseless and intends to vigorously defend its positions in this matter.

The Claimant has referred the matter for arbitration in Singapore in accordance with the rules of the Singapore International Arbitration Centre.

ESPML is of the view that the Notice for Arbitration against it is baseless and is seeking legal advice on the matter. ESPML intend to vigorously defend its position in this matter.

The Group will make the necessary announcements on further developments of the above matter as and when necessary.

**13 Significant related party transactions**

The significant related party transactions during the current financial year to date is as follows:

|                                                                                                           | Cumulative Quarters |                |
|-----------------------------------------------------------------------------------------------------------|---------------------|----------------|
|                                                                                                           | 31 / 12 / 2020      | 31 / 12 / 2019 |
|                                                                                                           |                     | RM'000         |
| i) Purchase of goods and services from non-controlling interest of subsidiaries                           | 552                 | 1,954          |
| ii) Provision of operation and maintenance (O&M) services from a non-controlling interest of subsidiaries | 5,208               | 1,875          |
| iii) Project management fee from non-controlling interest of subsidiaries                                 | 864                 | 1,124          |
| iv) Interest charges on advances from a non-controlling interest of subsidiaries                          | 627                 | 628            |
| v) Sales of goods and services to non-controlling interest of subsidiaries                                | (352)               | (265)          |
| vi) Vessel modification works paid to non-controlling interest of subsidiary                              | -                   | 1,323          |
| vii) Leasing of an equipment from non-controlling interest of subsidiary                                  | -                   | 2,368          |

In the 28th Annual General Meeting ("AGM") on 25 September 2020, the shareholders have given the mandate for the Group to enter into the recurring related parties transactions 13(i) and (ii) with the cumulative values not more than RM36.0 million and RM8.0 million respectively from 25 September 2020 to the next AGM. The other recurring related parties transactions are expected to be below the relevant thresholds, therefore does not need shareholders' approval.

**14 Changes in material contingent liabilities or assets**

There were no material contingent liabilities or contingent assets since the last financial year ended 31 March 2020 other than what may or may not arise from the legal claims in Notes 12 (a), (b) and (c) and the corporate guarantees given by the Company in favour of its subsidiaries as follows:

- (i) Corporate guarantees for licenced financial institutions
- (ii) Corporate guarantee to subsidiaries' customer
- (iii) Corporate guarantee to subsidiaries' vendors

**15 Capital commitments**

The capital commitments as at the end of the quarter/period are as follows:

|                                             | As at<br>31 / 12 / 2020<br>RM'000 | As at<br>31 / 12 / 2019<br>RM'000 |
|---------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Approved and contracted for</b>          |                                   |                                   |
| - Purchase of property, plant and equipment | -                                 | 18,679                            |
| <b>Approved but not contracted for</b>      |                                   |                                   |
| - Purchase of property, plant and equipment | 1,699                             | 6,376                             |

**16 Review of performance**

## a) COVID-19 Pandemic

The World Health Organisation declared the novel coronavirus ("COVID-19") a global pandemic on 11 March 2020. The Government of Malaysia imposed a Movement Control Order ("MCO") on 18 March 2020 and subsequently entered into various phases and intensity of MCO depending on the statistics and the severity of the active cases.

To mitigate its potential risks exposure, the Group and the Company have taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and business operations needs.

## b) For the financial period under review, the Group's business activities were split into 3 segments:

- (i) The Group's property development division comprises projects in Malaysia and abroad.
- (ii) The Group's energy services division, entails the trading and supply of products like specialty chemicals, provision of logistics/ chartering, engineering, operation and maintenance services relating to the energy sector.
- (iii) The Group's investment holdings division comprises of holding of investment in subsidiaries, associate and joint venture as well as management services and provision of financial assistance for companies within the Group.

| <b>Quarter</b>         | <b>Revenue</b>                  |                            |                                               | <b>Consolidated</b> |
|------------------------|---------------------------------|----------------------------|-----------------------------------------------|---------------------|
|                        | <b>Property<br/>development</b> | <b>Energy<br/>services</b> | <b>Investment<br/>holdings and<br/>others</b> |                     |
|                        | RM'000                          | RM'000                     | RM'000                                        | RM'000              |
| <b><u>FY20/21:</u></b> |                                 |                            |                                               |                     |
| Quarter 1              | -                               | 25,647                     | -                                             | 25,647              |
| Quarter 2              | -                               | 35,459                     | -                                             | 35,459              |
| Quarter 3              | 490                             | 23,434                     | -                                             | 23,924              |
| Cumulative quarter     | 490                             | 84,540                     | -                                             | 85,030              |
| <b><u>FY19/20:</u></b> |                                 |                            |                                               |                     |
| Quarter 1              | 19,040                          | 32,429                     | -                                             | 51,469              |
| Quarter 2              | 13,625                          | 28,460                     | -                                             | 42,085              |
| Quarter 3              | 9,300                           | 41,581                     | -                                             | 50,881              |
| Quarter 4              | 9,997                           | 72,214                     | -                                             | 82,211              |
| Full financial year    | 51,962                          | 174,684                    | -                                             | 226,646             |

| <u>Quarter</u>         | <u>(Loss)/Profit before taxation</u> |                        |                                       | <u>Consolidated</u> |
|------------------------|--------------------------------------|------------------------|---------------------------------------|---------------------|
|                        | <u>Property development</u>          | <u>Energy services</u> | <u>Investment holdings and others</u> |                     |
|                        | <u>RM'000</u>                        | <u>RM'000</u>          | <u>RM'000</u>                         | <u>RM'000</u>       |
| <b><u>FY20/21:</u></b> |                                      |                        |                                       |                     |
| Quarter 1              | (300)                                | (830)                  | (2,200)                               | (3,330)             |
| Quarter 2              | (246)                                | 4,055                  | (2,438)                               | 1,371               |
| Quarter 3              | (287)                                | 3,721                  | (1,865)                               | 1,569               |
| Cumulative quarter     | (833)                                | 6,946                  | (6,503)                               | (390)               |
| <b><u>FY19/20:</u></b> |                                      |                        |                                       |                     |
| Quarter 1              | (16)                                 | 3,578                  | (2,835)                               | 727                 |
| Quarter 2              | 94                                   | 3,623                  | (1,698)                               | 2,019               |
| Quarter 3              | 106                                  | 5,410                  | (2,195)                               | 3,321               |
| Quarter 4              | (764)                                | 6,403                  | (3,345)                               | 2,294               |
| Full financial year    | (580)                                | 19,014                 | (10,073)                              | 8,361               |

**Q3 FY20/21 v Q3 FY19/20**

For the individual quarter ended 31 December 2020 ("Q3 FY20/21"), the Group revenue decreased by RM26.96 million due to drop in revenue of Property Development Division and also lower revenue contribution from the Energy Services Division. The shortfall in revenue had resulted in lower profit before taxation ("PBT") of RM1.57 million as compared to Q3 FY19/20's profit before taxation ("PBT") of RM3.32 million.

The Energy Services division recorded a lower PBT of RM3.72 million as compared to PBT of RM5.41 million in the same quarter of previous financial year mainly due to lower revenue from chemical trading business by more than 50% due to timing of deliveries.

Meanwhile from Property Development Division, there was a maiden revenue recorded from affordable homes business under QHomes brand for 6 units signed SPA in Q3FY20/21 as compared to Q3 FY19/20's revenue of RM9.30 million which was owing to the sales of one (1) unit of Portland Chambers's flat in London and 1 unit of Shamelin Star condominium in Cheras, Kuala Lumpur.

In short, Covid-19 caused the deferment of revenue recognition on project/contract execution and additional costs to comply with movement control orders. Customers are also on cost cutting mode which affected the timing and amount of their orders.

**YTD FY20/21 vs YTD FY19/20**

Revenue for YTD FY20/21 decreased by RM59.89 million from RM144.44 million in YTD FY19/20, mainly of 3 flats in London worth of RM39.02 million and 4 units of Shamelin Star condominium worth RM3.44 million in last financial period.

The lower Group LBT of RM0.47 million as compared to the same period in previous financial year was mainly due to lower revenue and higher operational costs from Energy Services Division in the 1HFY20/21.

**17 Material change in (loss)/profit before taxation compared to the immediate preceeding quarter****Q2 FY20/21 v Q3 FY20/21**

For the quarter under review, the Group recorded a lower revenue of RM23.92 million from RM35.46 million in Q2FY20/21, mainly due to lower delivery of chemical products, whereby the Q2 FY20/21 revenue was boosted by deliveries deferred from Q1 FY20/21. Despite the lower revenue in Q3 FY20/21, the PBT in Q3 FY20/21 of RM1.57 million was higher to PBT in Q2 FY20/21 of RM1.37 million as the company managed to mitigate the additional operating costs due to MCO.

**18 Future prospects**

The prospects of the Group's business segments are as follows:

**(a) Property Development**

FY2021 has been a challenging year, as the property sector as a whole has not been spared from the impact of the COVID-19 pandemic on the overall economy. However, our performance and reception in our chosen market segments have been encouraging. Under the Group's affordable housing brand, Q Homes, our maiden project Taman Iram Perdana has been fully booked within a few months from the launch date with some revenue recognised in Q3 FY20/21, while construction is progressing on schedule. The Group is also embarking on a landed residential project in Seremban, to be launched under our mid-range brand, ENRA Land. On the international front, our lifestyle retirement development in Rugby is expected to clear final authority approvals soon.

## (b) Energy Services

For Energy Services division, the continued volatile oil price environment coupled with the low demand for fuel brought about by the ongoing Covid-19 pandemic have resulted in an overall depressed state of affairs in the oil & gas industry. ENRA's energy services companies are embracing the challenges as major sector players in Malaysia defer or skim down their operating and capital expenditures. Successful vaccines in 2021 means a hope for recovery of global oil demand is on the horizon. The impact of the military coup in Myanmar with one year emergency declared from early February 2021 and the extent of responses from the international communities are yet to be known on our operation there. We are following the development on all these external factors closely to chart our next plan of actions in the best interest of all our stakeholders.

Meanwhile, the Group will be focused on achieving our annual revenue target, operational improvement and cost management initiatives for the remainder of FY20/21.

**19 Profit forecast**

The Group has not issued any profit forecast in a public document.

**20 (Loss)/Profit for the financial year**

|                                                                    | Cumulative Quarters |                |
|--------------------------------------------------------------------|---------------------|----------------|
|                                                                    | 31 / 12 / 2020      | 31 / 12 / 2019 |
|                                                                    | RM'000              | RM'000         |
| Profit before taxation is arrived at after (crediting) / charging  |                     |                |
| Interest income                                                    | (224)               | (885)          |
| Interest expense                                                   | 2,615               | 1,073          |
| Lease interest expense                                             | 156                 | 1,672          |
| Other income including investment income                           | 3,211               | 1,747          |
| Fair value changes on contingent consideration                     | -                   | (126)          |
| Depreciation of property, plant and equipment                      | 5,669               | 850            |
| Depreciation of right of use assets                                | 713                 | 15,371         |
| Amortisation of intangible assets                                  | 212                 | 206            |
| Fair value (gain)/loss on derivatives                              | (1,732)             | 323            |
| Written back of provision for impairment loss on trade receivables | (909)               | (346)          |
| Unrealised loss on foreign exchange                                | (374)               | 248            |
| Realised gain from foreign exchange                                | (40)                | (544)          |

Save as disclosed above and in the Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income, the other items as required under Appendix 9B, Part A (16) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**21 Income tax expense**

|                                | Individual Quarter |                | Cumulative Quarter |                |
|--------------------------------|--------------------|----------------|--------------------|----------------|
|                                | 31 / 12 / 2020     | 31 / 12 / 2019 | 31 / 12 / 2020     | 31 / 12 / 2019 |
|                                | RM'000             | RM'000         | RM'000             | RM'000         |
| Malaysian income tax :-        |                    |                |                    |                |
| - current taxation             | 191                | 853            | 200                | 1,239          |
| - overprovision for prior year | -                  | -              | -                  | 2              |
| - deferred taxation            | -                  | -              | -                  | -              |
|                                | 191                | 853            | 200                | 1,241          |
| Australian income tax :-       |                    |                |                    |                |
| - current taxation             | 44                 | 263            | 388                | 478            |
| - overprovision for prior year | (130)              | -              | (130)              | -              |
|                                | 105                | 1,116          | 458                | 1,719          |

The Group's effective tax rate remains higher than the statutory tax rate as some companies registered loss before taxation and certain expenses are not allowable for tax deductions and Australia income tax rate is higher than Malaysia statutory tax rate.

**23 Goodwill**

The carrying amount of goodwill arising from the acquisition of subsidiaries:

|                                                               | As at<br>31 / 12 / 2020 |
|---------------------------------------------------------------|-------------------------|
|                                                               | RM'000                  |
| 75% of ENRA Engineering And Fabrication Sd. Bhd. ("EEFAB")    | 8,505                   |
| 100% of International Chemicals Engineering Pty. Ltd. ("ICE") | 4,004                   |
| 51% of ENRA IOL Sdn. Bhd. ("EIOL")                            | 401                     |
| 51% of Abode Senior Living Limited ("ASLL")                   | 24                      |
| 51% of Q Homes Sdn. Bhd. ("Q Homes")                          | 7                       |
|                                                               | <u>12,941</u>           |

Goodwill arising from these business combinations has been allocated for annual impairment testing purposes.

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

**24 Borrowings and debts securities**

Total borrowings of the Group were analysed as follows :

|                                 | Short Term                    |                                | Long Term                     |                                | Total                         |                                |                          |
|---------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------------------|
|                                 | Foreign<br>currency<br>RM'000 | Malaysian<br>Ringgit<br>RM'000 | Foreign<br>currency<br>RM'000 | Malaysian<br>Ringgit<br>RM'000 | Foreign<br>currency<br>RM'000 | Malaysian<br>Ringgit<br>RM'000 | Total<br>Group<br>RM'000 |
| <b>As at 31 December 2020:</b>  |                               |                                |                               |                                |                               |                                |                          |
| <b>Secured</b>                  |                               |                                |                               |                                |                               |                                |                          |
| Bank overdrafts                 | -                             | 1,375                          | -                             | -                              | -                             | 1,375                          | 1,375                    |
| Term loans                      | 10,385                        | 8,193                          | 2,912                         | 35,301                         | 13,296                        | 43,494                         | 56,791                   |
| Trade facilities                | -                             | 8,761                          | -                             | -                              | -                             | 8,761                          | 8,761                    |
|                                 | <u>10,385</u>                 | <u>18,329</u>                  | <u>2,912</u>                  | <u>35,301</u>                  | <u>13,296</u>                 | <u>53,630</u>                  | <u>66,927</u>            |
| <b>As at 30 September 2019:</b> |                               |                                |                               |                                |                               |                                |                          |
| <b>Secured</b>                  |                               |                                |                               |                                |                               |                                |                          |
| Bank overdrafts                 | -                             | 1,659                          | -                             | -                              | -                             | 1,659                          | 1,659                    |
| Term loans                      | 12,779                        | 14,001                         | -                             | 1,130                          | 12,779                        | 15,131                         | 27,910                   |
| Trade facilities                | -                             | 42,582                         | -                             | -                              | -                             | 42,582                         | 42,582                   |
|                                 | <u>12,779</u>                 | <u>58,242</u>                  | <u>-</u>                      | <u>1,130</u>                   | <u>12,779</u>                 | <u>59,372</u>                  | <u>72,151</u>            |

The decrease in bank borrowings is mainly due to net repayment of trade facilities offset by net drawdown of term loans.

**25 Derivatives**

The Group entered into forward currency selling and buying contracts to manage its foreign currency exchange risk.

Details of the Group's derivatives financial instruments outstanding as at 30 September 2020 are as follows:

|                                                     | Currency | Notional<br>value<br>'000 | Net Fair value<br>gain/(loss)<br>RM'000 |
|-----------------------------------------------------|----------|---------------------------|-----------------------------------------|
| <b>As at 31 December 2020:</b>                      |          |                           |                                         |
| Forward currency selling contracts less than 1 year | GBP      | 1,867                     | (160)                                   |
| Forward currency buying contracts more than 1 year  | USD      | 8,615                     | 1,929                                   |
| <b>Net fair value gain</b>                          |          |                           | <u>1,732</u>                            |
| <b>As at 31 December 2019:</b>                      |          |                           |                                         |
| Forward currency selling contracts less than 1 year | GBP      | 3,367                     | (323)                                   |
| <b>Net fair value loss</b>                          |          |                           | <u>(323)</u>                            |

**26 Material impairment of assets**

There is no material impairment loss of assets recognised in the statement of profit and loss and other comprehensive income in the current quarter and comparative quarter except as disclosed in Note 20.

**27 Material litigation**

The Group is not engaged in any material litigation as at the date of issuance of this financial statements except as disclosed in Note 12.

**28 Earnings per ordinary share**

Basic earnings per share are calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding any treasury shares held by the Company.

Diluted earnings per share takes into account the maximum number of ordinary shares assuming all free warrants are converted into new ordinary shares.

|                                                                     | Quarter Ended  |                | Cumulative Quarter Ended |                |
|---------------------------------------------------------------------|----------------|----------------|--------------------------|----------------|
|                                                                     | 31 / 12 / 2020 | 31 / 12 / 2019 | 31 / 12 / 2020           | 31 / 12 / 2019 |
| Profit/(Loss) attributable to equity holders of the Company         | 552            | 1,981          | (621)                    | 2,793          |
| Weighted average number of ordinary shares in issue ('000)          |                |                |                          |                |
| Total number of ordinary shares                                     | 136,208        | 136,208        | 136,208                  | 136,208        |
| Treasury shares                                                     | (1,289)        | (1,289)        | (1,289)                  | (1,289)        |
|                                                                     | 134,919        | 134,919        | 134,919                  | 134,919        |
| Potential maximum shares from the warrants conversion to new shares | 44,972         | -              | 44,972                   | -              |
| Potential maximum number of ordinary shares                         | 179,891        | 134,919        | 179,891                  | 134,919        |
| Basic earnings per share (sen) :                                    | 0.41           | 1.47           | (0.47)                   | 2.07           |
| Diluted earnings per share (sen) :                                  | 0.31           | n/a            | (0.35)                   | n/a            |

**29 Status of utilisation of proceeds raised from corporate proposal**

During the current financial period, there are no completed corporate proposals to report on the status of utilisation of proceeds.

**30 Dividends**

On 29 April 2020, the Board of Directors has declared an interim single tier dividend of 1.25 sen per share in respect of FY19/20 amounting to RM1.69 million (FY18/19: RM4.05 million) which is recognised in FY20/21. The dividend was paid on 29 May 2020.

**By Order of the Board**  
**ENRA Group Berhad**