

ENRA[®]

ENRA GROUP BERHAD

199201005296 (236800-T)



ANNUAL REPORT 2021

RAISING THE GAME IN A NEW ENVIRONMENT

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

OUR SHARED VALUES

E

THICAL

To make decisions that promote goodness and avoid harm

N

OBLE

To behave in a manner that is respectful to others

R

ELIABLE

To keep and deliver promises that have been made

A

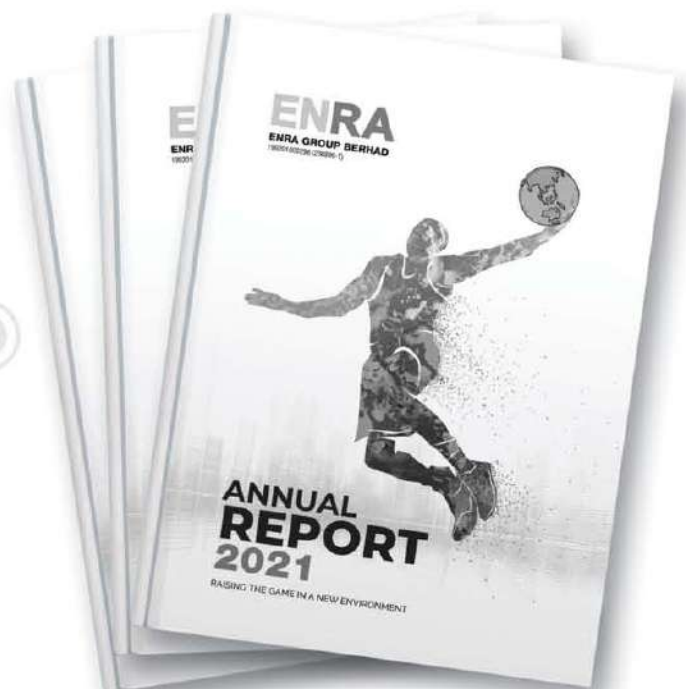
CCOUNTABLE

To take ownership of all outcomes and never passing blame

COVER RATIONALE

The world is now in a new environment with new challenges. ENRA is raising its game to meet those challenges to stay head and shoulders above others.

SCAN QR CODE
to obtain a softcopy of
Annual Report 2021



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ENRA Group Berhad Annual Report 2021

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CORPORATE INFORMATION



BOARD OF DIRECTORS

Datuk Ali bin Abdul Kadir

Chairman, 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

Tan Sri Dato' Seri Shamsul Azhar bin Abbas

Senior Independent Non-Executive Director

Datuk Anuar bin Ahmad

Independent Non-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

Members

Datuk Ali bin Abdul Kadir

Datuk Anuar bin Ahmad

Dato' Wee Yiau Hin

BOARD NOMINATION AND REMUNERATION COMMITTEE

Chairman

Datuk Anuar bin Ahmad

Members

Tan Sri Dato' Seri Shamsul Azhar bin Abbas

Dato' Wee Yiau Hin

COMPANY SECRETARY

Chin Soo Ching @ Chen Soo Ching
MAICSA 7042265

REGISTERED OFFICE

D3-U6-15, Block D3
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : +603-2300 3555
Fax : +603-2300 3550
Email : info@enra.my
Website : www.enra.my

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
Bank Pembangunan Malaysia Berhad

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7784 3922
Fax : +603-7784 1988

AUDITORS

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

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE

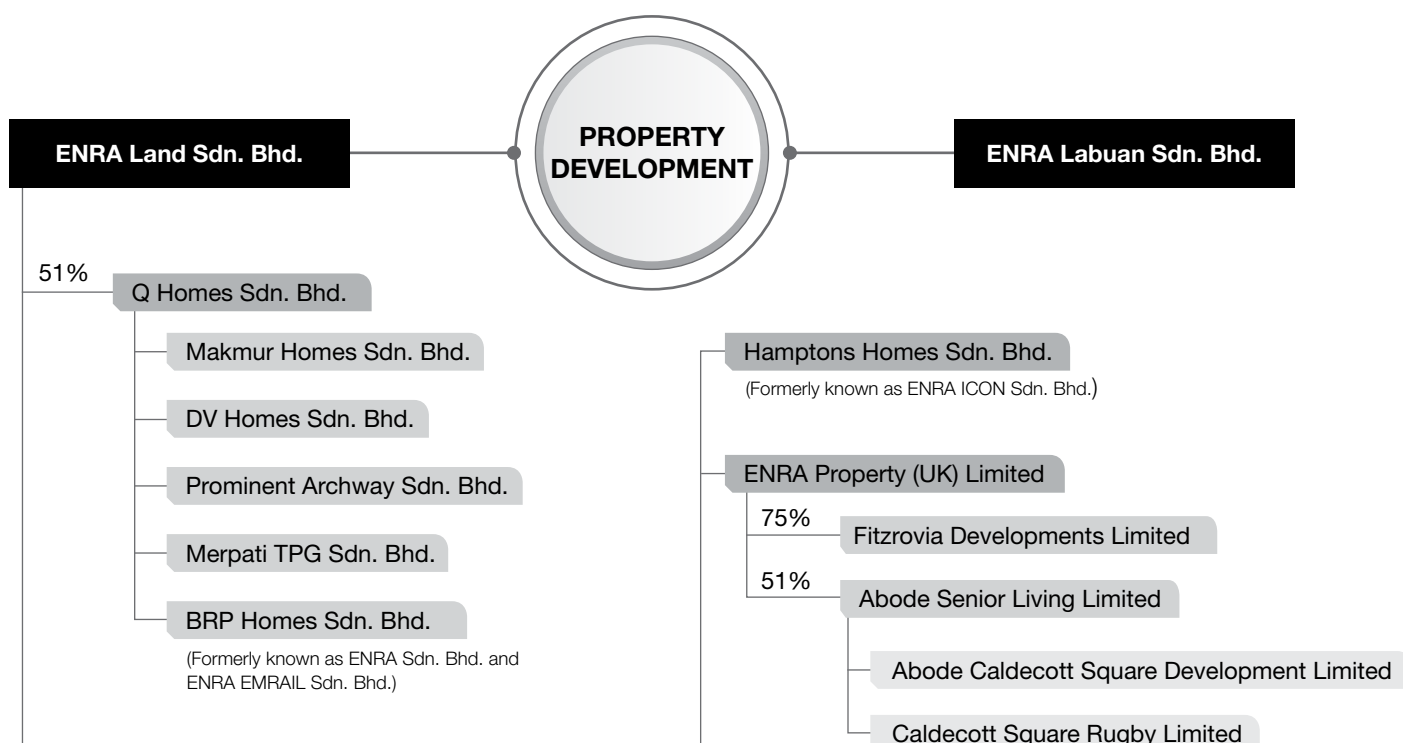
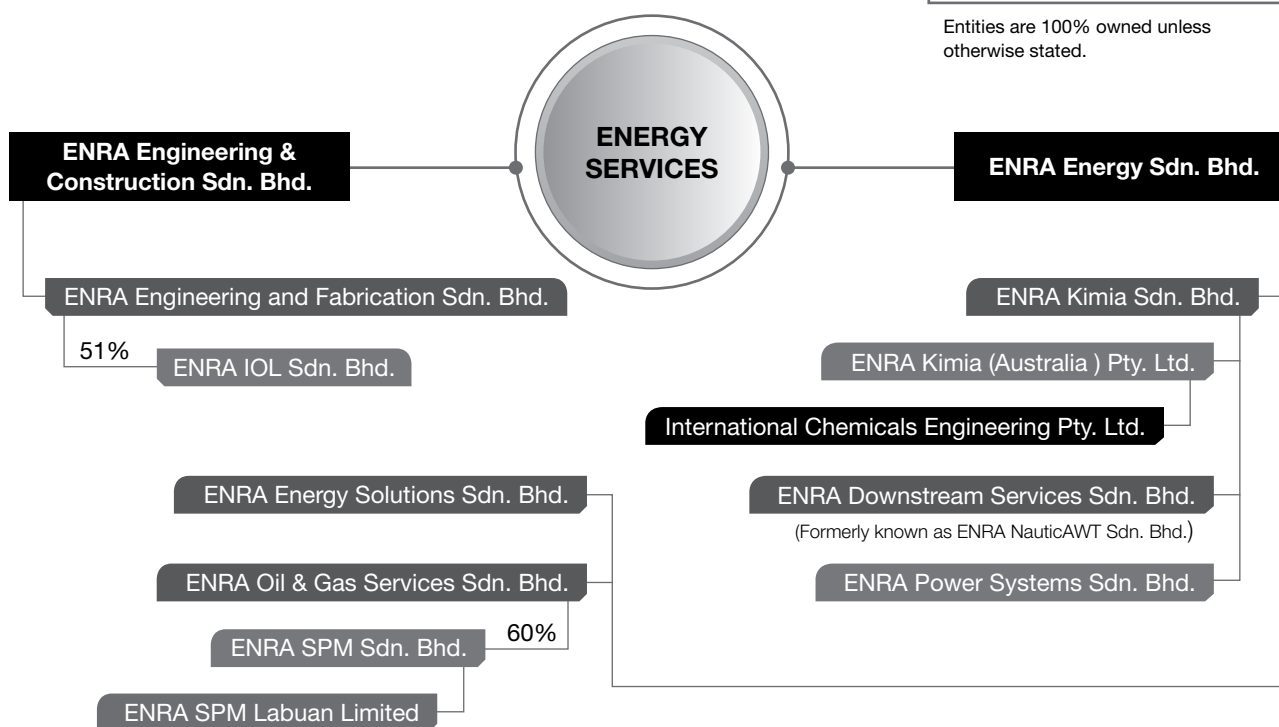
ENRA[®] ENRA Group Berhad

DIVISION

PROPERTY DEVELOPMENT

ENERGY SERVICES

Entities are 100% owned unless otherwise stated.



DEFINITIONS

GENERAL

Board	Board of Directors
Bursa Securities	Bursa Malaysia Securities Berhad
ENRA or the Company	Specifically, ENRA Group Berhad, the investment holding company of the Group
ENRA Group or the Group	ENRA Group Berhad and its group of subsidiaries and associate interests
MCCG	Malaysian Code on Corporate Governance 2017
MMLR	Main Market Listing Requirements

FINANCIAL

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EI	Exceptional Items
EPS	Earnings per Share
FYE	Financial Year Ending/Ended 31 March
LATAMI	Loss After Tax and Minority Interest
LBT	Loss Before Tax
PATAMI	Profit After Tax and Minority Interest
PBT	Profit Before Tax
ROA	Return on Assets
ROE	Return on Equity

ENERGY SERVICES

EEFAB	ENRA Engineering and Fabrication Sdn. Bhd. (a subsidiary of ENRA Engineering & Construction Sdn. Bhd.)
Energy Services division	ENRA Energy, ENRA Engineering & Construction Sdn. Bhd., and their respective subsidiaries and associate interests
ENRA Energy	ENRA Energy Sdn. Bhd. (a subsidiary of ENRA Group)
ENRA Energy Solutions	ENRA Energy Solutions Sdn. Bhd. (a subsidiary of ENRA Energy)
ENRA Kimia	ENRA Kimia Sdn. Bhd. (a subsidiary of ENRA Energy)
ENRA SPM	ENRA SPM Sdn. Bhd. (a subsidiary of ENRA Oil & Gas Services Sdn. Bhd.)
ESPML	ENRA SPM Labuan Limited (a subsidiary of ENRA SPM)
FSO	Floating Storage and Offloading
ICE	International Chemicals Engineering Pty. Ltd. (a subsidiary of ENRA Kimia)
PCML	PC Myanmar (Hong Kong) Limited
Ratu ENRA	ENRA SPM's oil/chemical tanker, currently converted into an FSO vessel

PROPERTY DEVELOPMENT

ENRA Land	ENRA Land Sdn. Bhd. (a subsidiary of ENRA Group Berhad)
GDV	Gross Development Value
Property Development division	ENRA Land, ENRA Labuan Sdn. Bhd., and their respective subsidiaries and associate interests
Q Homes	Q Homes Sdn. Bhd. (a subsidiary of ENRA Land)
UK	The United Kingdom
93 GTS	93 Great Titchfield Street (a luxury 4-apartment development in central London)

FIVE-YEAR FINANCIAL HIGHLIGHTS

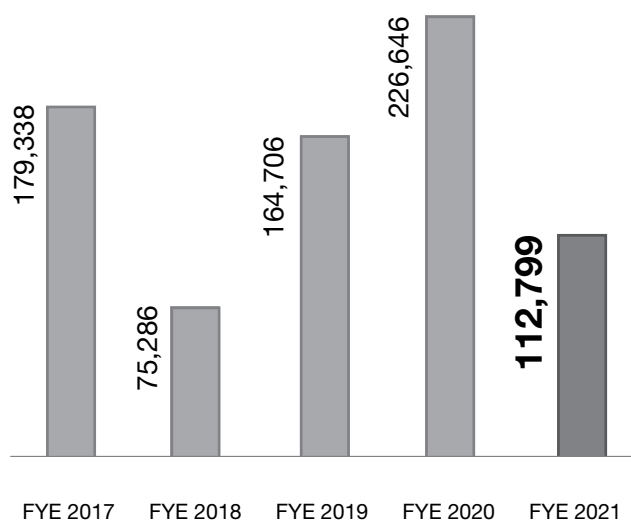
AS AT 31 MARCH 2021

	FYE 2017	FYE 2018 Restated	FYE 2019	FYE 2020	FYE 2021
Continuing Operations					
- Revenue (RM'000)	179,338	75,286	164,706	226,646	112,799
- Gross profit (RM'000)	54,973	21,367	32,569	43,927	35,344
- PBT/LBT before EI (RM'000)	28,521	(5,482)	4,346	8,362	6,343
- Profit/(Loss) After Tax (RM'000)	19,532	(3,534)	(26,317)	4,481	(4,535)
- PATAMI/LATAMI (RM'000)	11,930	(2,676)	(24,613)	2,480	(6,360)
- PATAMI before EI (RM'000)	11,930	(6,768)	(1,915)	2,480	3,381
- EPS (sen)	8.84	(1.98)	(18.24)	1.84	(4.71)
- EBITDA (RM'000)	29,848	1,752	12,827	36,475	10,484
- EBITDA before EI (RM'000)	29,848	(2,340)	37,365	36,475	20,225
Shareholders' equity (RM'000)	152,745	151,321	123,075	121,825	114,256
Number of shares (excluding treasury shares) ('000)	134,919	134,919	134,919	134,919	134,919
Net assets per share (RM)	1.13	1.12	0.91	0.90	0.85
Share price as at year end (RM)	2.83	2.66	1.15	1.20	0.62
Market capitalisation as at year end (RM'000)	381,819	358,883	155,156	161,902	83,649
Exceptional Items (RM'000) (above RM1 million)					
Derecognition of contingent consideration for business acquisition	-	(4,092)	-	-	-
Net realisable value write down for inventories	-	-	9,276	-	-
Full impairment of the remaining balance of a trade receivables	-	-	15,262	-	-
Impairment on goodwill on acquisition	-	-	-	-	8,536
Mutual separation scheme	-	-	-	-	1,205
Total Exceptional Items	-	(4,092)	24,538	-	9,741
EBITDA working (RM'000)					
PBT/(LBT)	28,521	(1,390)	(20,192)	8,362	(3,398)
(+) Interest expenses (including MFRS 116 and MFRS 16)	470	760	5,280	3,979	4,469
(+) Depreciation & amortisation (including MFRS 116 and MFRS 16)	857	2,382	27,739	24,134	9,413
EBITDA	29,848	1,752	12,827	36,475	10,484

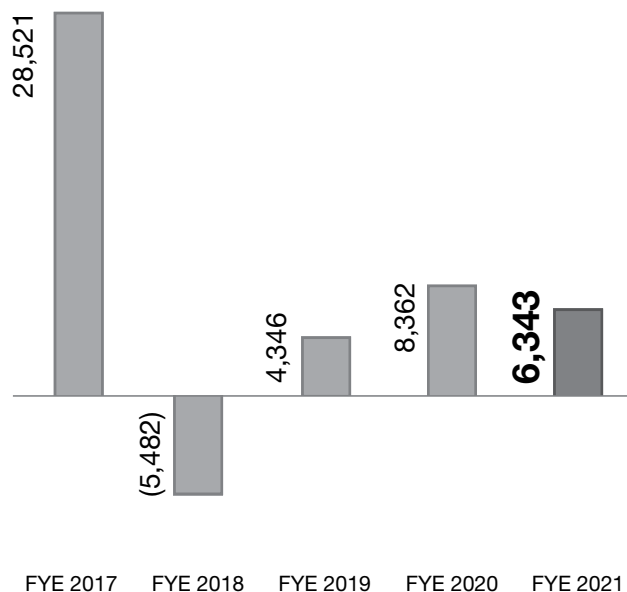
FIVE-YEAR FINANCIAL HIGHLIGHTS

AS AT 31 MARCH 2021

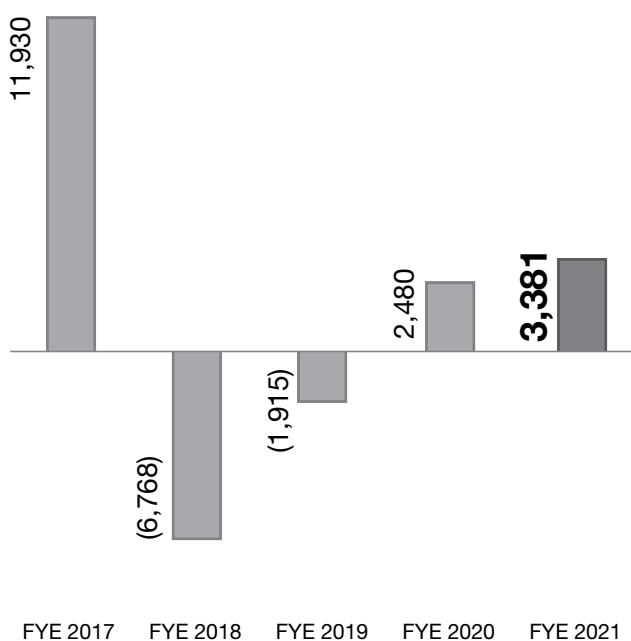
REVENUE FROM CONTINUING OPERATIONS (RM'000)



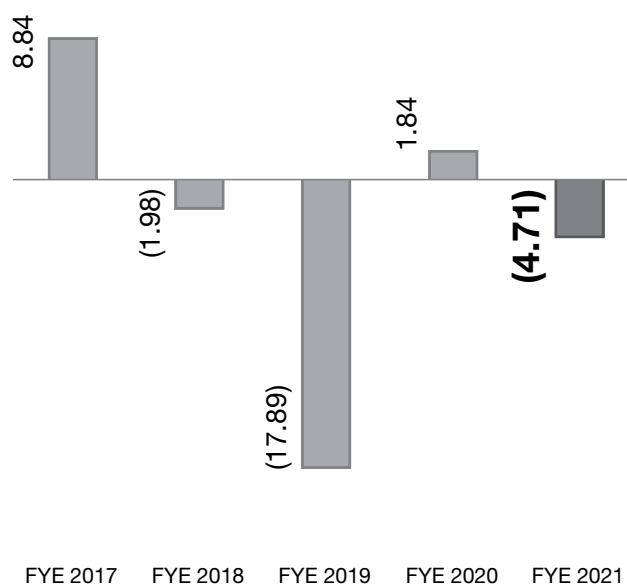
PBT/LBT BEFORE EI (RM'000)



PATAMI BEFORE EI (RM'000)



EPS (SEN)



CHAIRMAN'S STATEMENT

“

Dear Shareholders,

On behalf of the Board of Directors of ENRA Group Berhad, I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2021.

”

The COVID-19 pandemic was unforeseen and unprecedented, resulting in global lockdowns for most of 2020. Malaysia's own lockdown was initiated at in March 2020, which coincided with only the last month of FYE 2020 but continued in various forms of intensity for most of FYE 2021. The Malaysian economy was badly affected by the lockdown. In my Chairman's Statement last year, I shared my belief that our businesses would be able to weather the pandemic and the difficulties that would arise from it.

I am pleased and proud that FYE 2021 was a year of development for ENRA and that we are in an operationally profitable position because of a key strategic decision made 6 years ago – diversifying into businesses with recurring income. Although the Property Development division was badly affected – due to delays in approvals and the inability to launch in a timely manner – the Group was not materially affected due to the contribution from the Energy Services division. There was, of course, a slowdown in customers' orders which resulted in a drop of revenue for the year, the effect was mitigated by higher margins due to several operational improvements.

Overall, FYE 2021 was still an active year for ENRA with four key milestones achieved:

- ENRA SPM completed the acquisition and modification of Ratu ENRA and safely delivered it to the Yetagun oilfield, all during the peak of the lockdowns in Malaysia and Singapore. This is a testament to the capability of the team at ENRA SPM, who successfully completed this project. The introduction of Ratu ENRA to the Yetagun field gave us more effective and efficient control over various aspects of operations, which improved margins significantly.
- ENRA Kimia completed a new facility in Kemanan, Terengganu despite forced delays in construction due to the pandemic. ENRA Kimia's business had outgrown its legacy facilities and this new facility no longer impedes ENRA Kimia's operational capacity. As such, ENRA Kimia is now poised to grow further with new products and services.
- Q Homes launched its maiden quality affordable terrace house development in Teluk Panglima Garang in March 2021, which sold out quickly. The other projects in the pipeline were delayed by slow approvals and the lockdown.
- ENRA Land's retirement home development in the UK has been granted development approval after lengthy delays arising from the pandemic. ENRA Land is now actively evaluating options for the development of this project.

CHAIRMAN'S STATEMENT

As of today, vaccinations are being implemented at ever faster paces globally and in Malaysia, so we are hopeful that economic activities will get back to normal by the fourth quarter of 2021. Premised on the foregoing, I expect the Energy Services division to continue to be the Group's main contributor. As for the niche quality affordable homes business under Q Homes, I am optimistic about its long-term growth prospects.

In summary, ENRA was able to weather the storm in FYE 2021 thanks to the diversified stream of businesses. As a group, ENRA continues to look for new business opportunities to enhance the Group's revenue and income base.

I am immensely appreciative of my fellow Board members and the ENRA team for their dedication and hardwork during a very trying year for everyone. Despite the harsh business environment, ENRA has successfully raised its game, and is in a position to capture opportunities once the pandemic wanes.

Datuk Ali bin Abdul Kadir

Chairman

24 June 2021

BOARD OF DIRECTORS' PROFILE

Datuk Ali bin Abdul Kadir

Chairman, Independent Non-Executive Director

Nationality



Gender



Age

72

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, 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 ENRA, or any conflict of interests in any business arrangement involving ENRA.

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

He attended all 8 Board meetings held during the financial year under review.

Tan Sri Dato' Kamaluddin bin Abdullah

Executive Deputy Chairman

Nationality



Gender



Age

54

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 ENRA 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 Securities and served as its Group Executive Director. He was also a major shareholder of Dewina Berhad.

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

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

He attended all 8 Board meetings held during the financial year under review.

BOARD OF DIRECTORS' PROFILE

Dato' Mazlin bin Md Junid

President & Group Chief Executive Officer

Nationality



Gender



Age

59

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 and Non-Independent Executive Director. 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 speciality chemicals trading company, supplying to downstream petrochemical industries.

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

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

He attended all 8 Board meetings held during the financial year under review.

BOARD OF DIRECTORS' PROFILE

Kok Kong Chin

Executive Director

Nationality



Gender



Age

55

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 ENRA 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.

Prior to joining ENRA, he was Group Managing Director of Tropicana Corporation Berhad ("Tropicana") 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 appointed as Independent Non-Executive Chairman of Pekat Group Berhad, a solar photovoltaic (PV) and earthing & lighting protection (ELP) specialist listed on the ACE Market of Bursa Malaysia on 23 June 2021. 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 ENRA, or any conflict of interests in any business arrangement involving ENRA.

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

He attended all 8 Board meetings held during the financial year under review.

BOARD OF DIRECTORS' PROFILE

Tan Sri Dato' Seri Shamsul Azhar bin Abbas

Senior Independent
Non-Executive Director

Nationality



Gender



Age

69

Tan Sri Dato' Seri Shamsul Azhar was appointed to the Board on 15 June 2015. He is the Senior Independent Non-Executive Director of ENRA. 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 was the Chairman of MMC Corporation Berhad and MMC Ports Holdings Sdn Bhd from 16 July 2015 to 31 August 2020.

He is currently the Chairman of Sapura Energy Berhad and Chairman of the Board of Universiti Malaysia Terengganu.

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

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

He attended all 8 Board meetings held during the financial year under review.

BOARD OF DIRECTORS' PROFILE

Datuk Anuar bin Ahmad

Independent Non-Executive Director

•
Nationality



•
Gender



•
Age

67

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 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 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 and Kumpulan Fima Berhad.

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

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

He attended all 8 Board meetings held during the financial year under review.

BOARD OF DIRECTORS' PROFILE

Dato' Wee Yiaw Hin

Independent Non-Executive Director

Nationality



Gender



Age

62

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 & 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 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 and Anton Oilfield Services Group, which is listed on the Hong Kong Stock Exchange. 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 ENRA, or any conflict of interests in any business arrangement involving ENRA.

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

He attended all 8 Board meetings held during the financial year under review.

Loh Chen Yook

Independent Non-Executive Director

Nationality



Gender



Age

66

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 ENRA following a mandatory general offer in 2015, Mr. Loh was the Managing Director of ENRA, 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 ENRA 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 does not have any family relationship with any director and/or major shareholder of ENRA, or any conflict of interests in any business arrangement involving ENRA.

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

He attended all 8 Board meetings held during the financial year under review.

KEY SENIOR MANAGEMENT'S PROFILE

AMI AKHRAM BIN ABDULLAH

Senior Vice President, Group Finance Division/
Group Chief Financial Officer

Date Appointed

6 February 2017

Nationality Age/Gender

Malaysian 43/Male

Qualifications

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

Working Experience

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

Directorship/Relevant Appointments (outside ENRA)

- N/A

RAYBURN AZHAR ALI

Senior Vice President, Downstream Oil & Gas Division/ Chief Executive Officer of ENRA Kimia Sdn. Bhd.

Date Appointed

1 January 2016

Nationality Age/Gender

Malaysian 51/Male

Qualifications

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

Working Experience

- Daya Materials Berhad – Group COO (2013 - 2015), Deputy Group CEO (2015)
- Daya Secadyme Sdn. Bhd. – COO (2008 - 2010), CEO (2010 - 2015)
- DK Kurita Sdn. Bhd. – CEO (2004 - 2007)
- Darul Karisma Group – GM, Business Development (1999 - 2005)

Directorship/Relevant Appointments (outside ENRA)

- Sea Resources Mgmt Sdn. Bhd. & Sea Resources Jeyco Sdn. Bhd. (2008)
- Peremba-Kurita Sdn. Bhd. (2001 - 2004)

MANAGEMENT DISCUSSION AND ANALYSIS

ENRA Group Berhad remains operationally profitable for the financial year ended 31 March 2021 despite significant disruptions to the global business environment from the unforeseen COVID-19 pandemic.

FINANCIAL SNAPSHOT FOR THE YEAR UNDER REVIEW

	FYE 2020 RM mil	Change %	FYE 2021 RM mil	Remarks
Revenue	226.65	(50.2)	112.80	
<i>Energy Services</i>	174.69	(36.4)	111.13	<i>Slowdowns and delays in customers' activities, and the impact of lockdowns/ movement control orders</i>
<i>Property Development</i>	51.96	(96.8)	1.67	<i>Completion of 93 GTS in FYE 2020 and delays in product launches due to pandemic</i>
Gross Profit	43.93	(23.0)	35.34	
<i>Energy Services</i>	41.36	(15.2)	35.06	<i>Acquisition of Ratu ENRA improved operating efficiency and effectiveness</i>
<i>Property Development</i>	2.57	(89.1)	0.28	<i>Margins for Malaysian developments higher than 93 GTS</i>
PBT/(LBT) excl. EI⁽¹⁾	8.36	(24.2)	6.34	
<i>Energy Services</i>	19.01	(10.3)	17.05	<i>In line with revenue but with improved gross profit margins</i>
<i>Property Development</i>	(0.58)	(113.8)	(1.24)	<i>In line with revenue</i>
PATAMI/(LATAMI) excl. EI⁽¹⁾	2.48	36.3	3.38	Lower overall tax cost
<i>Exceptional Items</i>	-	<i>n.m.</i>	(9.74)	<i>Goodwill impairment in Energy Services division: RM8.54 mil Mutual separation scheme costs: RM1.20 mil</i>
PATAMI/(LATAMI)	2.48	<i>n.m.</i>	(6.36)	Primarily due to Exceptional Items
ROE	2.0%	<i>n.m.</i>	5.6% 3.0% excl. EI	
ROA	0.8%	<i>n.m.</i>	(2.6%) 1.4% excl. EI	

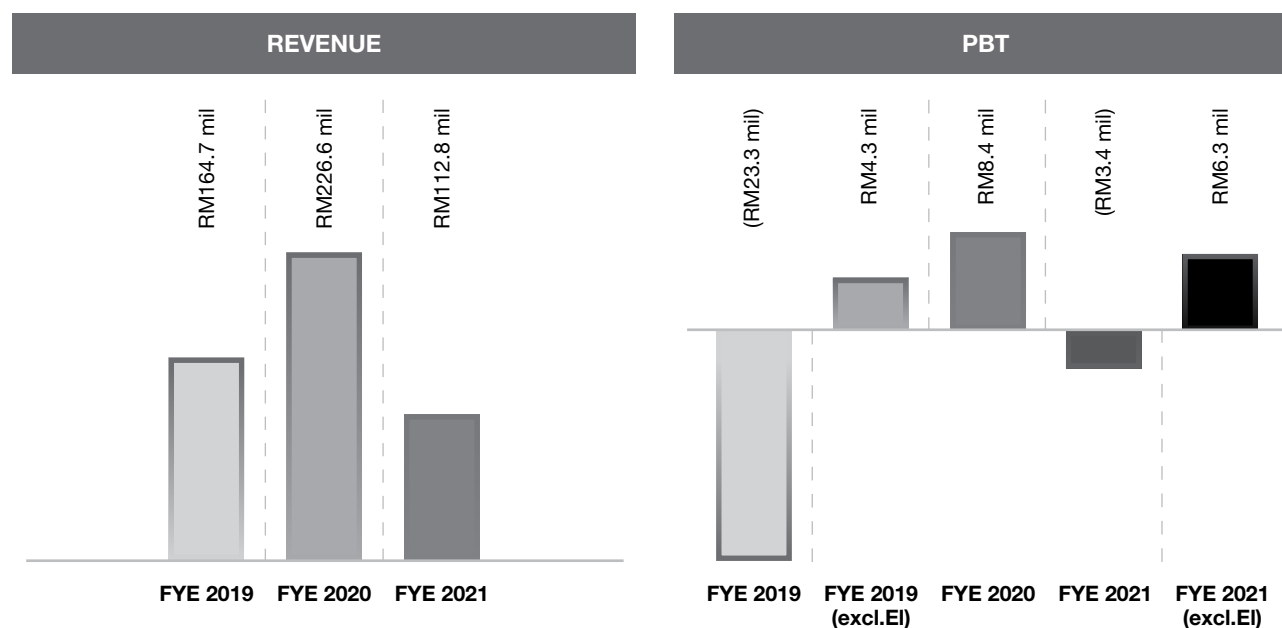
Note: (1) Excludes the Investment Holding and Others segment

MANAGEMENT DISCUSSION AND ANALYSIS

KEY HIGHLIGHTS FOR THE YEAR

- i. Q Homes successfully launched its maiden affordable homes project in March 2021. The project was fully sold and has an expected GDV of RM7.86 mil;
- ii. ENRA Land's maiden retirement living project in Rugby, UK, received development approval after a delayed application process due to lockdowns which resulted in council office closures;
- iii. EE FAB received a settlement of RM3.84 mil from its litigation with the Government of Malaysia; and
- iv. ENRA SPM overcame various operational hurdles to successfully complete the acquisition, modification and commissioning of Ratu ENRA in the first quarter of FYE 2021, despite the strict lockdowns imposed in Malaysia, Singapore, and Myanmar.

FINANCIAL PERFORMANCE

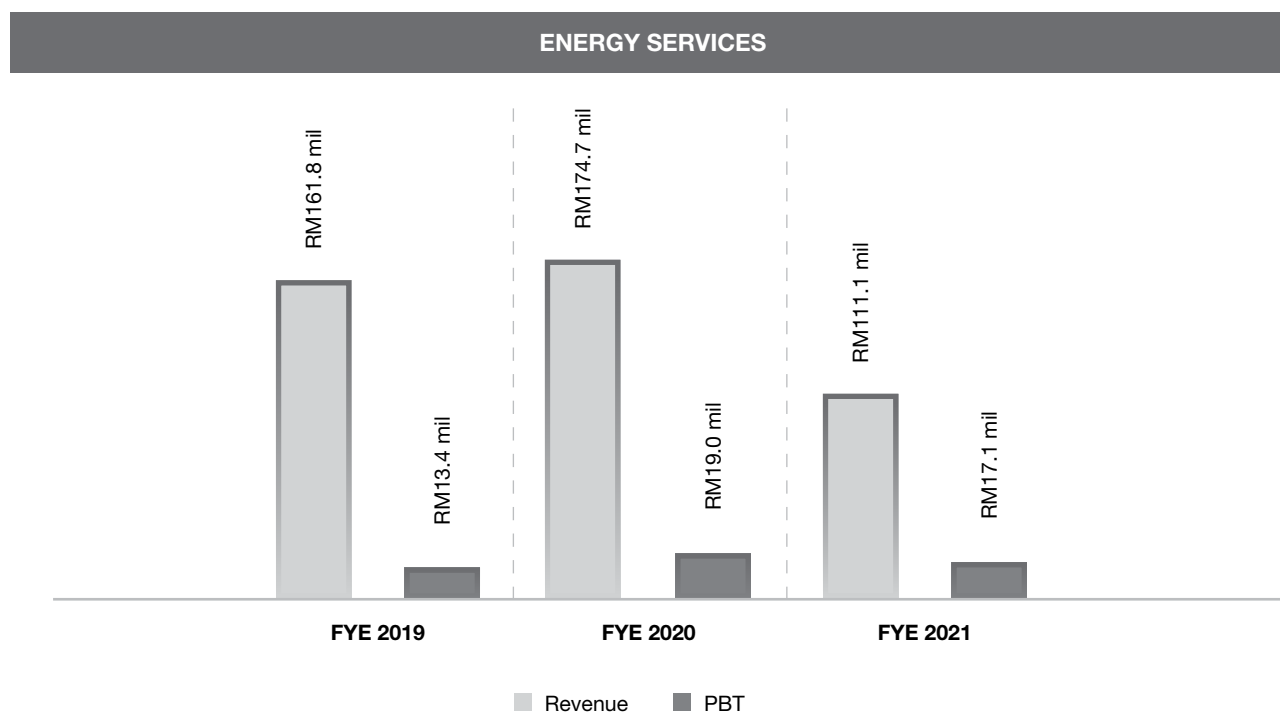


ENRA Group's FYE 2021 total revenue decreased by 50.2% to RM112.80 mil from RM226.65 mil in FYE 2020 as a result of decreases from both key divisions of the Group. This in turn resulted in a reduction in gross profit and a reduction in PBT before EI, though profit margins before EI have generally improved in FYE 2021 (explained in further detail below).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE (CONT'D)

Energy Services



The Energy Services division's most active businesses are specialty chemicals supply (under ENRA Kimia) and FSO services (under ENRA SPM), with a smaller subsidiary, ENRA Energy Solutions (which was introduced in FYE 2019), providing maintenance, repair and overhauling ("MRO") services for power generation systems such as gas turbines and diesel generators. Overall, this division recorded revenue of RM111.12 mil for FYE 2021, a 36.4% decrease from RM174.68 mil in FYE 2020 primarily as a result of disruptions to customers' operations and orders (e.g. postponed maintenance schedules) due to the pandemic, and the cyclical nature of specialty chemical and gas odorant's sales volumes.

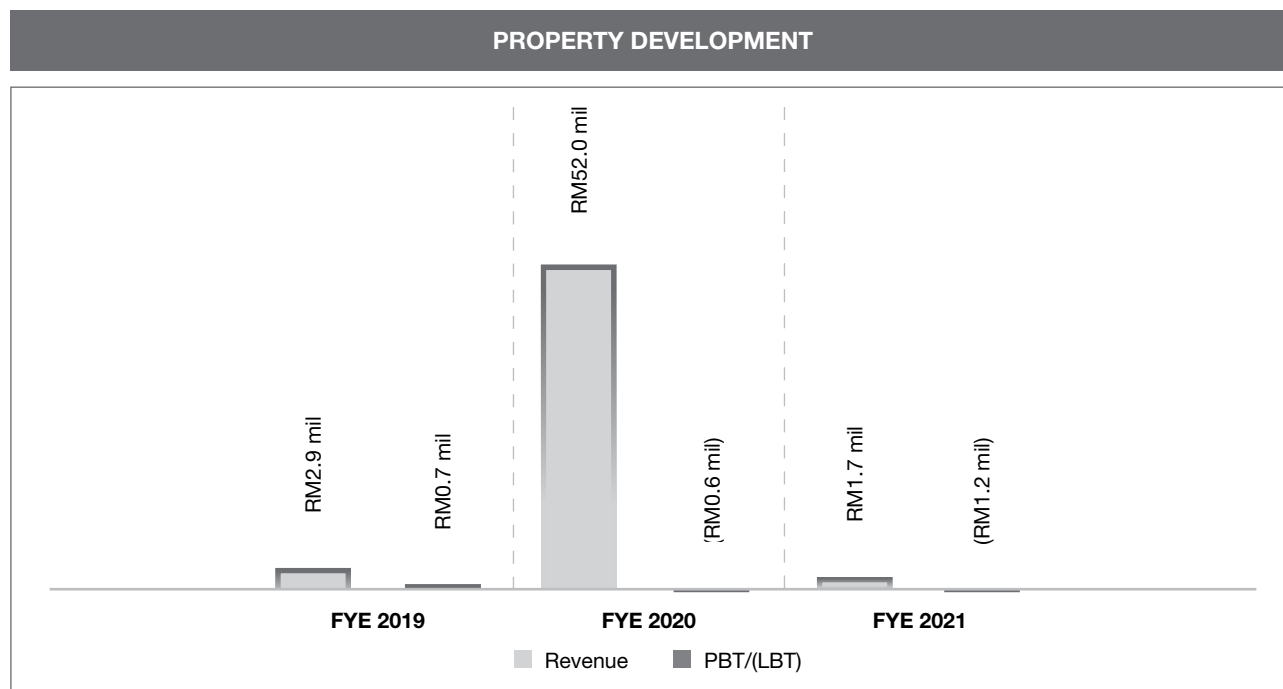
Notwithstanding the aforementioned, operations for Energy Services were deemed an "essential service" due to its key role in supporting the oil & gas industry, and business continued as normal but with stringent standard operating procedures in place. Despite pandemic-related lockdowns in Malaysia and Australia, the specialty chemicals business was still able to deliver its products and ENRA Energy Solutions continued to provide its MRO services. Furthermore, despite the current political instability and uncertainty in Myanmar, ENRA SPM's operations have not been affected and the contract with PCML is still operational and ongoing.

As such, the Energy Services division performed admirably despite the challenges and continues to be the main revenue generator for the Group, generating 98.5% of total revenue for FYE 2021.

Despite the 50.2% drop in revenue, the Energy Services division still recorded a gross profit of RM35.06 mil in FYE 2021, only a 15.2% drop compared to RM41.36 mil in FYE 2020, whilst PBT before EI dropped by only 24.2% to RM17.05 mil in FYE 2021 compared to RM19.01 mil in FYE 2020. The main contributor to this margin improvement arose from the acquisition of Ratu ENRA, which noticeably improved ENRA SPM's operational effectiveness and efficiency. Overall, the Energy Services division, despite the initial operating cost issues in the early stages of the pandemic, has successfully acclimatised to the new operating environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Development



Note: # FYE 2019's PBT excluded Exceptional Items of RM9.30 mil due to a write down on inventories.

Revenue generation for the Property Development division was delayed in FYE 2021 as there were land office and council office closures which affected approvals for ENRA's various projects. Furthermore, there were no sales from ENRA Land's maiden London project, 93 GTS, as the final apartment was sold in the final quarter of FYE 2020. As such, revenue from the Property Development division was minimal at RM1.67 mil in FYE 2021 from RM51.96 mil in FYE 2020. However, Q Homes successfully launched its first project at Teluk Panglima Garang, Selangor in March 2021. This RM7.86 mil GDV project comprising of 18 units of semi-detached houses has already been sold out.

This division reported a gross profit of only RM0.28 mil for FYE 2021 (a drop from RM2.57 mil in FYE 2020, in line with revenue) as sales recognition is only anticipated to contribute significantly in FYE 2022, in line with construction progress from ENRA Land's various projects. As such, a LBT of RM1.24 mil was recorded in FYE 2021.

FINANCIAL POSITION OVERVIEW

ENRA Group ends the financial year with a healthy balance sheet:

- **Net assets** have decreased slightly from RM121.83 mil as at 31 March 2020 to RM114.26 mil as at 31 March 2021 in line with the LATAMI incurred for the financial year;
- **Gearing** has decreased from 0.82 times in FYE 2020 to 0.54 times in FYE 2021 from the continued servicing of the current outstanding loans, primarily those in relation to ENRA SPM's acquisition of Ratu ENRA in FYE 2020;
- **Cash and cash equivalents** stand at RM35.66 mil which is sufficient to support existing working capital requirements; and
- **Key assets** are still in good condition and supporting ENRA Group's main operations:
 - o Ratu ENRA, a 26,634 gross tonne oil/chemical tanker operating in the Andaman Sea for PCML;
 - o A 2.5-acre industrial land in Kemaman on which a new distribution facility for ENRA Kimia was completed after FYE 2021 (Certificate of Completion and Compliance was issued on 5 May 2021); and
 - o A 5,705 sq. ft. operating centre and warehouse set on a 0.8-acre industrial land in Dandenong, Victoria, Australia for ICE to service its key clients in Australia and New Zealand.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION OVERVIEW (CONT'D)

Given the current instability in the markets as a result of the pandemic, we will remain prudent in managing our cash according to the needs of our existing businesses while at the same time, carry on investing in new products, services and revenue lines to build a stronger income-generating base for the Group.

FUTURE PROSPECTS

Energy Services

The Energy Services Division is primarily an “essential service” and thus, has been allowed to operate even during the various movement control orders. When economic activity begins to pick up once the pandemic begins to wane, we anticipate oil & gas activities to rebound, which ENRA Group plans to take advantage of.

The downstream specialty chemicals distribution business continues to see orders and deliveries for its products and services as its customers – refineries, petrochemicals plants, and gas producers/suppliers – need to continue operating. Moving forward post-pandemic, the Group expects a healthy contribution from this business in its current form as all its customers operations would have generally normalised. However, despite being blessed with a stable specialty chemicals business, we intend to continue pursuing new product lines such as corrosion protection coatings, oilfield and mining chemicals, and agricultural chemicals and fumigants to replicate the significant growth that this division has successfully demonstrated over the years. In fact, having outgrown its original rented facilities, ENRA Kimia completed a new facility in Kemaman (as mentioned above) which will allow the business to have the capacity to introduce new products and services.

For our FSO business, despite the initial cost increases during the early months of the pandemic, it has generally been business as usual as the Yetagun field is still operational. However, we are mindful of the uncertainties surrounding Myanmar, and are closely monitoring the situation while remaining in constant contact with PETRONAS on the matter. We also intend to identify opportunities to support PCML in extracting more value from its various operations.

The MRO business has successfully supported Hibiscus Petroleum’s oilfield activities for the last 2 years, and with such a track record, ENRA Energy Solutions is actively pursuing new MRO opportunities in the oil & gas market and beyond.

Property Development

Like many other businesses around the world, our planned real estate projects had to be delayed during the height of the pandemic in Malaysia and the UK throughout FYE 2021. Not only have economic activities since picked up at the time of writing, land offices and approving authorities are open and operational, and as such, we have resumed operations. The key to riding on this recovery phase is building the right product for the right market.

In Malaysia, this division is planning to develop several landed residential projects located in urban areas around the Klang Valley that will be priced at affordable levels but of a quality build. We successfully launched our maiden project in Teluk Panglima Garang in March 2021, which has fully sold out. We have 2 confirmed project launches in the upcoming year, with approximately RM38 mil GDV in total, and already have an additional 4 projects with a GDV of approximately RM80 mil in the planning stages. However, ENRA Land is cognisant that the pandemic is still ongoing, and movement control orders may slow down progress of the projects. Notwithstanding this operational challenge, we are still optimistic on the outlook of ENRA Land’s unique projects, especially after the positive reaction to our Teluk Panglima Garang project which has given us confidence that we are on the right track in an underserved market, namely homes that are geared towards quality and affordable living.

In the UK, we are evaluating our options on the development of a lifestyle retirement home development in Rugby, UK which has completed its planning enhancement and approval. Due to travelling challenges that still persist, combined with anticipated increases in raw materials and construction costs as a result of the unforeseen pandemic, managing a property project of this scale will be challenging, and we are identifying a solution that will allow us to begin generating returns from this investment. Fundamentally, we are of the view that the project is still sound and that the demand for such a niche product catering to the ageing population outweighs supply. We also believe that this niche product would be even more relevant under the current environment as prospective buyers in our target market seek out opportunities to have standby health, safety and basic medical support as part of their retirement years.

MANAGEMENT DISCUSSION AND ANALYSIS

CONCLUSION AND FUTURE

It was unforeseeable and unfortunate that immediately after FYE 2020 (a year of profit for ENRA Group), the COVID-19 pandemic happened and affected all manner of businesses on a global scale. Despite this major setback, we persevered and focused on ensuring all operations continued smoothly despite the uncertain business environment and increase in operating costs.

We are pleased, however, that the Group's presence in different businesses helped hedge the Group against the pandemic. Though the Property Development division could not operate properly, the Energy Services division helped see the Group through FYE 2021. This experience emphasises the importance of a diversified business and ENRA Group will continue to apply this principle moving forward in its pursuit of growth.

As vaccinations reach a wider population, we anticipate that various countries (including Malaysia) will be able to soften standard operating procedures that have impacted many operations across all industries and substantially increased the cost of business. As such, the cost of operations is likely to stabilise to pre-pandemic levels and we believe this will have a positive impact to the Group's profitability.

Overall, ENRA Group and its management are positive about a perceived economic recovery post-pandemic and the upside it should bring to our businesses.

The Group did not declare any dividends to shareholders for FYE 2021. However, ENRA issued free warrants on the basis of 1 free warrant for every 3 existing ordinary shares of ENRA on 23 December 2020 for FYE 2021.

The Board's consideration to reward shareholders will continue to be guided by the Group's operational needs and investment opportunities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of ENRA is committed to ensuring that high standards of corporate governance (“CG”) principles and practices are applied throughout the ENRA 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 MMLR of Bursa Securities and takes guidance from the key CG principles as set out in the MCCG. This statement is supplemented with the Corporate Governance Report (“CG Report”) which provides the details on how the Group has applied each Practice as prescribed in the MCCG during the financial year ended 31 March 2021. The CG Report is available on the Company’s website at 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 & 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. These authority limits are reviewed and revised as and when required, to ensure an optimum structure for efficient and effective decision-making in the Group. 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.

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 (“ARMC”) 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

direction and control of ENRA and the Group. The ultimate responsibility for the final decision on all matters, lies with the Board. The terms of reference for the ARMC and the BNRC can be found on ENRA's website (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 Charter which serves as a source of reference for all Directors, will be reviewed and updated periodically in accordance with the needs of ENRA and any new regulations that may have an impact on the discharge of the Board's responsibilities.

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. A Code of Business Conduct which is applicable to employees within the Group was adopted 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 Whistleblowing Policy is intended to directly support ENRA and the Group's Core Values, Code of Business Conduct and other governance requirement and compliance requirements and to encourage and enable employees, directors, shareholders or any parties with a business relationship with ENRA to raise concerns regarding any illegal conduct or malpractice at the earliest opportunity without being subject to victimisation, harassment or discriminatory treatment and to have such concerns properly investigated within ENRA and the Group prior to seeking resolution outside ENRA. A disclosure of wrongdoing or improper conduct may be made orally or in writing (via such channels as a letter or electronic mail).

Subsequent to the introduction of Corporate Liability Provision for bribery and corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), the Board had in May 2020 adopted ENRA Group's Anti-Corruption Policy & Procedure which sets out the policies and procedures towards compliance with the MACC Act. The Anti-Corruption Policy & Procedure will be reviewed periodically to assess its effectiveness, and in any event, at least once every three (3) years.

In FY2021, ENRA has further enhanced its Anti-Corruption Policy & Procedure by developing the Gifts and Hospitality Reporting Guidelines to set out quantitative guidance for the acceptable standard and to maintain high level of integrity and public trust in the conduct of ENRA Group's businesses associated gifts and hospitality.

The details of the Board Charter, Directors' Code of Ethics, Code of Business Conduct, Whistleblowing Policy Anti-Corruption Policy & Procedure and the Gifts and Hospitality Reporting Guidelines are available on the Company's website (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 provide 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 specialized experience in ENRA's various business areas 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 and in line with the requirements of Paragraph 15.02 of the MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

The Directors 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.

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

Nonetheless, the Board takes cognisance of the recommendation to have gender diversity on the Board. The Board through the BNRC is taking steps to ensure that women candidates are sought as part of its recruitment exercise when vacancies on the Board arise. The size and composition of the Board and its Board Committees will be reviewed annually to determine if the Board and the Board Committees have the right size and sufficient diversity that fit ENRA's objectives and strategic goals.

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 caliber, 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. ENRA 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 ENRA for the financial year ended 31 March 2021 are provided in the Practice 7.1 of the CG Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Board has established an 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. In line with the requirements of Paragraph 15.09 (1)(c) of the MMLR of Bursa Securities, one of the members of ARMC is a member of the Malaysian Institute of Accountants.

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 ENRA 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 2021.

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 2021 did not in any way impair their objectivity and independence as external auditors of ENRA.

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 29th 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 72 to 78 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 ("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 page 71 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. ENRA 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. ENRA, through its internal Investor Relations representatives 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.

The Group adopted an Investor Relations/Stakeholder Communication Policy to provide accurate and timely disclosure of corporate and other related information to enable informed and orderly decision-making by our stakeholders. The Investor Relations/Stakeholder Communication Policy is available on ENRA's website (www.enra.my).

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.

In light of the Coronavirus Disease 2019 (COVID-19) outbreak and as part of the safety measures, ENRA held its 28th AGM and EGM on 25 September 2020 virtually through live streaming and online voting using Remote Participation and Voting Facilities (“RPV”). The 29th AGM will similarly be held virtually.

The Chairman of the Board, Executive Deputy Chairman, ARMC Chairman, BNRC Chairman and the Company Secretary were present at the 28th AGM and EGM to answer questions and concerns raised by shareholders. The Directors, Senior Management and External Auditors joined the meetings online. The RPV allowing attendance of shareholders and proxies via remote participation and voting in absentia. Questions to the Board were allowed to be submitted in advance and through the real-time submission of typed texts during the proceedings of the meetings. Further, in line with Practice 12.1 of the MCCG, the notice convening the 28th AGM dated 27 August 2020 was issued more than 28 days before the AGM date.

All resolutions tabled at the 28th AGM and EGM were carried out by way of poll through electronic voting and the results were announced to Bursa Securities on the same day.

The summary of the minutes of the AGM and EGM detailing the meeting proceedings including issues or concerns raised by shareholders and responses by the Company are accessible at ENRA’s website (www.enra.my).

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 24 June 2021.

SUSTAINABILITY REPORT

Our Vision Statement

“Through shared values Ethical, Noble, Reliable and Accountable, to innovation and technology, ENRA will enable its people to create sustainable enterprise value (market value of equity and debt less cash and cash equivalents) in a manner that is responsible to its stakeholders, community and environment”

Shared Values

Ethical - To make decisions that **promote goodness** and **avoids harm**.

Noble - To behave in a manner that is **respectful** to others.

Reliable - To keep and **deliver on promises** that have been made.

Accountable - To **take ownership** of all outcomes and never passing blame

A. An Integral Aspect

Sustainability is embedded in our vision statement and is entrenched as an integral aspect in conducting our business from thought to finish.

Besides Bursa Securities that focuses on the importance of reporting on material sustainability matters in Economic, Environmental and Social (“EES”), another regulator in the corporate scene that also places equal emphasise on sustainability matters is the Securities Commission (“SC”). SC, via its newly released Malaysian Code of Corporate Governance 2021 (“MCCG 2021”) on 28 April 2021, has placed an urgent requirement for listed companies like ENRA to manage Economic, Social and Governance (“ESG”) risks and opportunities that need collective actions by the Board and Senior Management.

Consistent with the underlying intention and regulations on sustainability, ENRA is committed to achieve continuous business growth and long-lasting positive impacts that will benefit the economy, environment and society as a whole. ENRA is fully aware that it must act responsibly to be a going concern entity with a strong and positive motives of Profit, People and Planet (“3Ps”).

We have now been under the current controlling shareholders for 6 years and we intend to be in this arena for the long-haul. A holistic approach to business management, incorporating EES considerations alongside financial considerations, will serve as a sound business model that will support business continuity and competitiveness.

The terms Economic, Environmental and Social are explained in **ILLUSTRATION 1** below:

ILLUSTRATION 1



(Source: Adapted from the Global Reporting Initiative G4 Sustainability Reporting Guidelines)

SUSTAINABILITY REPORT

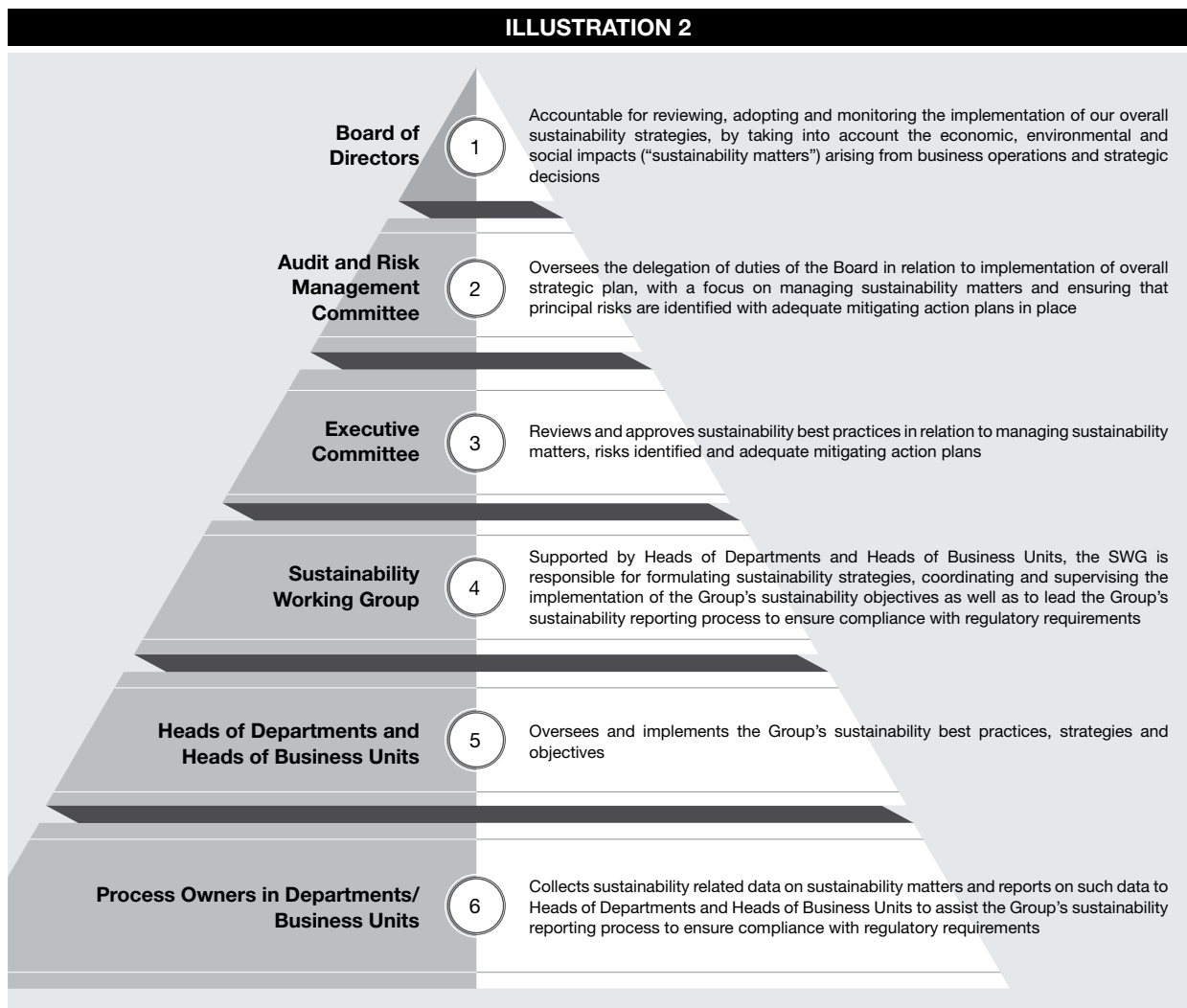
B. Our Period, Area and Segment Coverage

This Sustainability Report (“Report”) covers our reporting period from 1 April 2020 to 31 March 2021, for our operations in Malaysia, Myanmar, Australia and the United Kingdom under our Energy Services and Property Development divisions based on their revenue and asset contributions to the Group and the impact the Group has in respect of EES considerations.

C. Our Sustainability Governance Structure

Considering the Group’s culture, needs, business divisions, size, sustainability-related risks and opportunities, and maturity in responding to sustainability matters, our 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. ENRA’s Sustainability Governance Structure is as per **ILLUSTRATION 2** below;

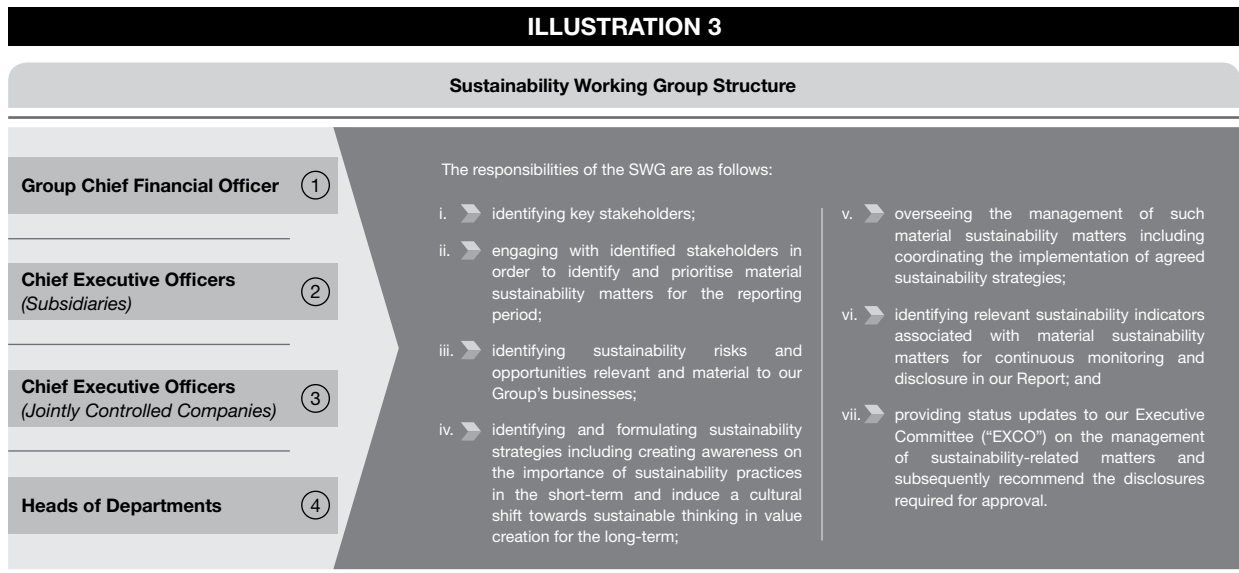
ILLUSTRATION 2 shows our sustainability governance structure:



SUSTAINABILITY REPORT

C. Our Period, Area and Segment Coverage (Cont'd)

The SWG as per **ILLUSTRATION 3** below, is led by our Chief Financial Officer and supported by the Group's Heads of Departments and the respective Chief Executive Officers of our subsidiaries.



In addition to the above, the Chief Executive Officers and Heads of Departments oversee and implement the Group's sustainability best practices, programs, strategies and objectives to continuously improve the Group's reputation as an economically, environmentally and socially responsible corporation. The process owners in the departments and subsidiaries are responsible for the execution of the Group's sustainability best practices, programs, strategies and objectives and collect sustainability-related data for the SWG to assist the Group's sustainability reporting process to ensure compliance with regulatory requirements.

D. Our Reporting Methodology

Our Report is prepared pursuant to and in accordance with the requirements of;

1. Bursa Securities MMLR relating to Sustainability Reporting in Annual Reports;
2. Bursa Securities' Sustainability Reporting Guide; and
3. Sustainability Toolkits.

This Report will outline how we have, through engagement with our stakeholders, identified and addressed material EES sustainability matters through our sustainability practices throughout our Group, for the reporting period.

E. Our Engagement with Stakeholders

In the last two consecutive years, our SWG had assessed, identified and prioritised our stakeholders based on our dependence on them and their influence on our Group's businesses. The SWG had identified the following key stakeholders in this current phase of our Group's growth and development:

1. Internal stakeholders
 - i. Our employees of all levels (including Senior Management and EXCO members);
 - ii. Our Board members;
 - iii. Our controlling shareholders;
 - iv. Our substantial institutional shareholders; and
 - v. Our investing partners (non-controlling interests).

SUSTAINABILITY REPORT

E. Our Engagement with Stakeholders (Cont'd)

2. External stakeholders

- i. Major lenders;
- ii. Major principals/suppliers; and
- iii. Major customers.

Surveys and robust interaction with our key stakeholders provided our stakeholders with a platform to freely and openly voice their views, opinions and concerns on sustainability issues.

F. Our Material Sustainability Matters for FY2020/21

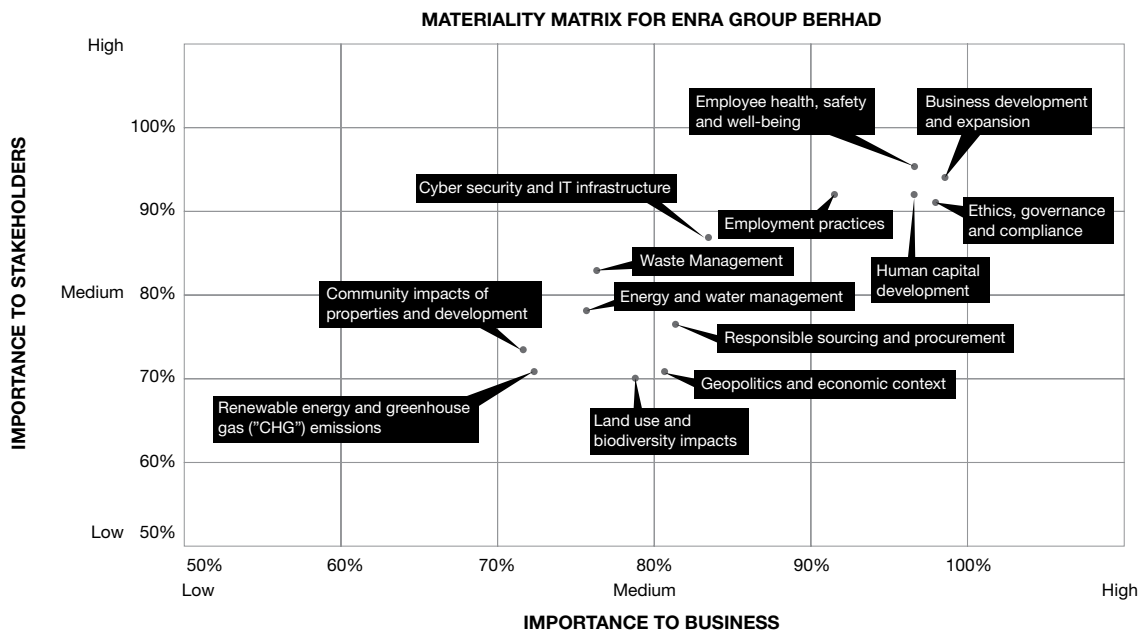
Our materiality assessment for FY2020/21 was based on the information derived from various internal and external stakeholder engagements in the previous two consecutive years. For the past two Sustainability Reports, we also analysed the nature of our businesses (both current and planned), our internal documents, risk register and indicators in the Bursa Securities Sustainability Reporting Guide, and the Global Reporting Initiative Sustainability Reporting Standards as part of the process of identifying the sustainability matters relevant to the Group.

As the stakeholder groups and the business segments remain substantially the same for FY2020/21 compared to what was covered in our first two Sustainability Reports, the SWG proposed to only re-examine the stakeholder groups and their concerns once every four years. The next engagement and prioritisation exercise is scheduled in 2022 for reporting in FY2022/23.

In FY2018/19, we shortlisted 13 material matters through statistical analysis of materiality by business owners, senior management, and the Board. They were ranked based on their importance to business performance and to stakeholders. From the 13 that were reported in FY2018/19, we have since narrowed them down to seven priority topics that have shaped our sustainability strategies. These seven material matters are presented in a materiality matrix below (**ILLUSTRATION 4**) in order of their significance to the business and to stakeholders.

ILLUSTRATION 4




FYE 31 March 2019



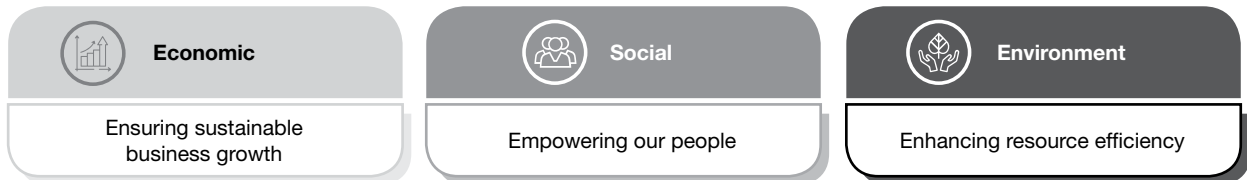
SUSTAINABILITY REPORT

F. Our Material Sustainability Matters (Cont'd)

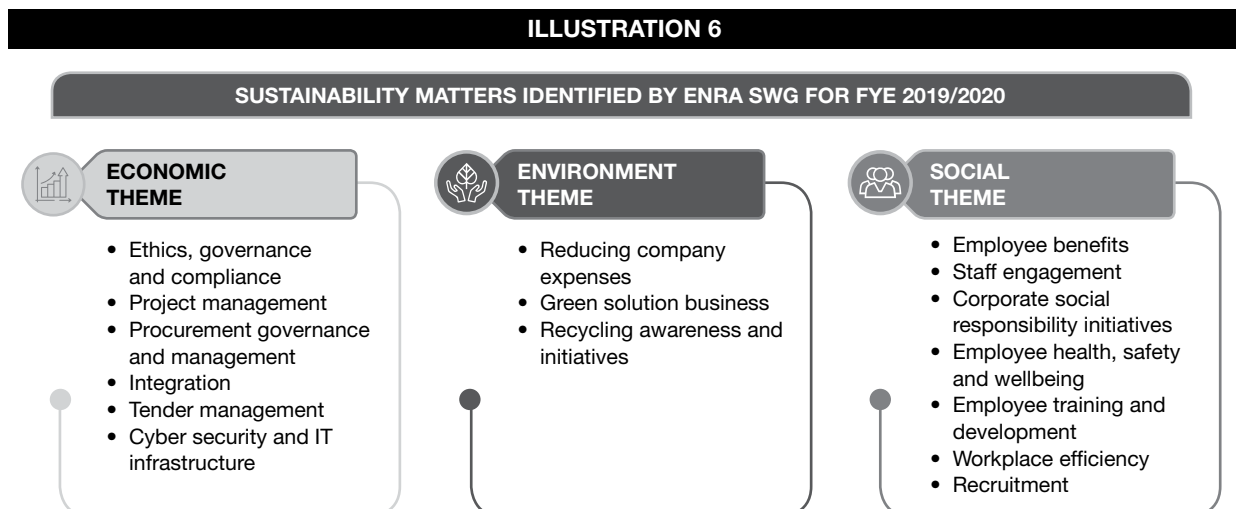
Upon recommendation of the SWG, our Board agreed that focus would be given to the following seven material sustainability matters identified in FY2018/19, as ranked below in order of importance in **ILLUSTRATION 5**.

ILLUSTRATION 5		
Ranking	Material Sustainability Matters	
①	Business Development and expansion	Legend:  Economic theme  Social theme  Environmental theme
②	Employee health, safety and well-being	
③	Ethics, Governance and Compliance	
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:



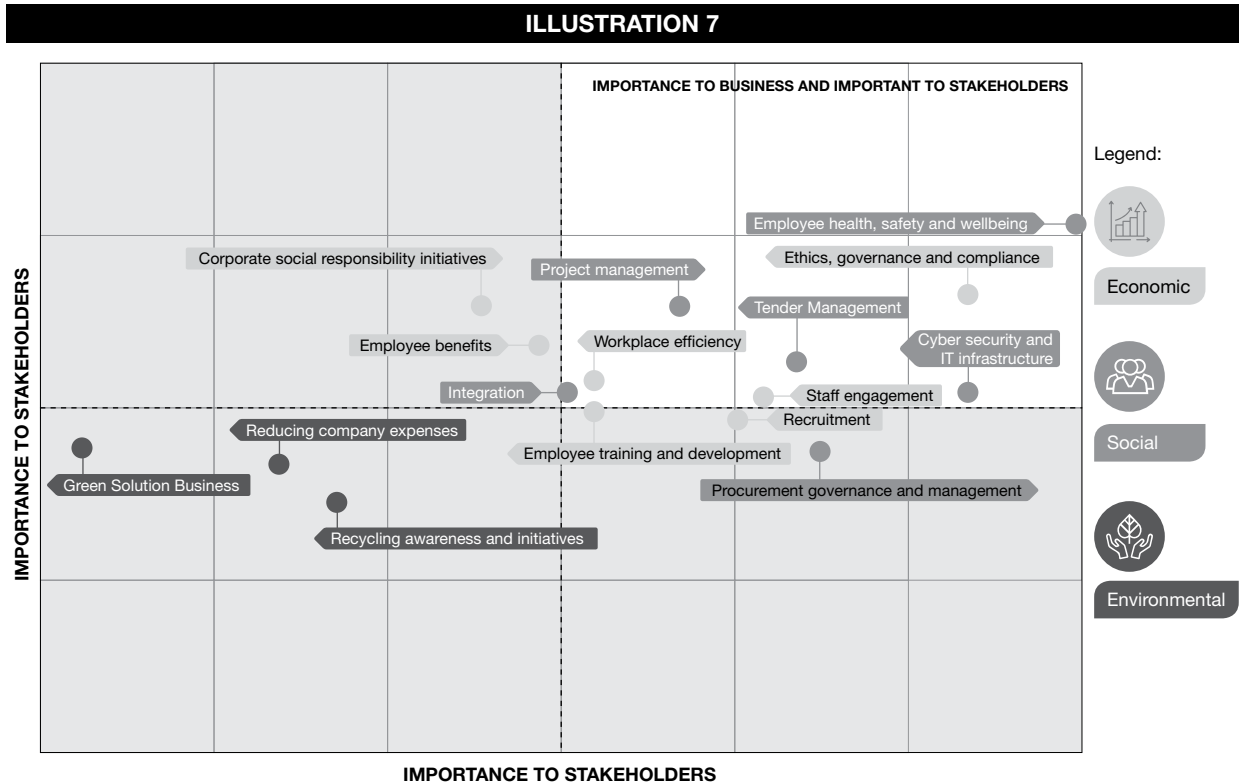
Meanwhile, for FY2019/20, a total of 16 sustainability matters important to the Group's business were identified by the SWG during the financial year as set out in **ILLUSTRATION 6**:



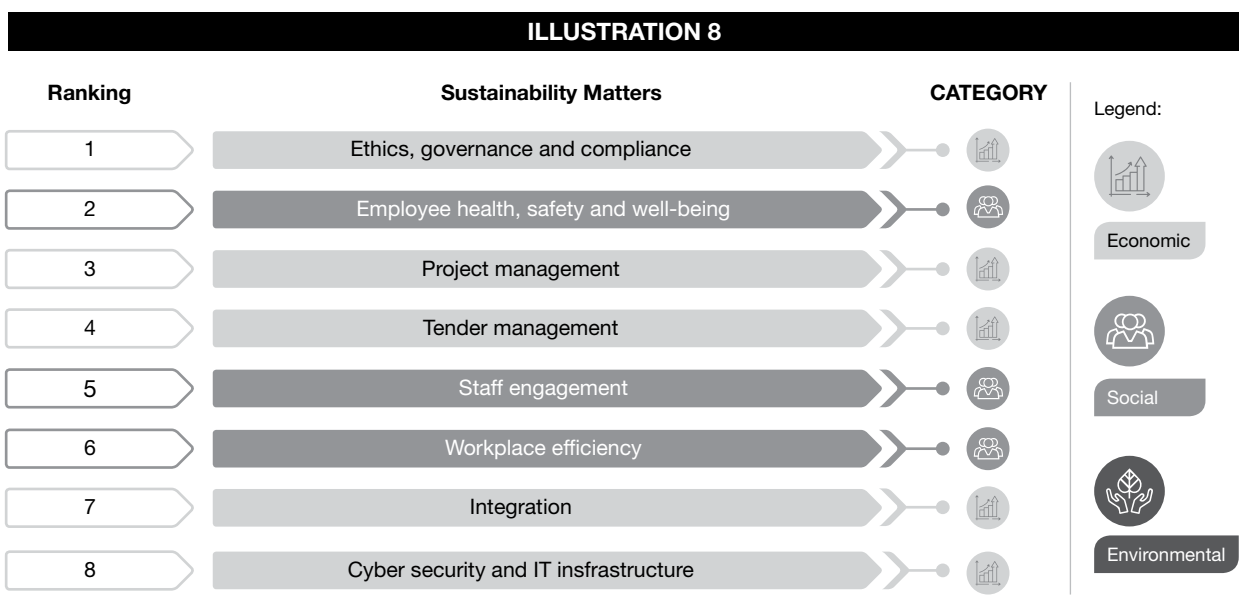
From the 16 reported above, we have narrowed them down to eight priority topics that have shaped our sustainability strategies as presented in a materiality matrix (**ILLUSTRATION 7**) in order of their significance to the business and to stakeholders.

SUSTAINABILITY REPORT

F. Our Material Sustainability Matters (Cont'd)



Based on the recommendation of our SWG, the Board agreed for FY2019/20 that focus be given to the following eight material sustainability matters identified during the financial year (ranked below in order of importance) in **ILLUSTRATION 8**:



SUSTAINABILITY REPORT

F. Our Material Sustainability Matters (Cont'd)

Combining the list of material sustainability matters (“MSMs”) for FY2018/19 and FY2019/20, we have the following summarised list of MSMs for the purpose of reporting in FY2020/21 and FY2021/22, provided there are no major changes in the stakeholders and business segments (**TABLE 1**).

TABLE 1

No.	Renamed MSMs in FY2020/21 & FY2021/22	Theme	Previously reported period (title)
1	Ethics, governance and compliance	Economic	FY2018/19 & FY2019/20
2	Business development and expansion	Economic	FY2018/19 (Business development and expansion) FY2019/20 (Tender management) FY2019/20 (Integration)
3	Innovation and technology enablers	Economic	FY2018/19 (Cyber security and IT infrastructure) FY2019/20 (Workplace efficiency)
4	Project and job execution	Economic	FY2018/19 (Project management)
5	Proactive and happy workforce	Social	FY2019/20 (Staff engagement) FY2018/19 (Employee health, safety and wellbeing) FY2018/19 (Employment practices) FY2018/19 (Human capital development)
6	Energy, resources and waste management	Environment	FY2018/19 (Waste management)

Following our materiality exercise in FY2018/19 and FY2019/20, along with the combined results of MSMs, as above, for FY2020/21 and FY2021/22, we plan to review our material matters through a stakeholder engagement and prioritisation exercise in FY2022/23.

We also take cognisance of the new MCCG 2021 that is enforceable on ENRA effective from Annual Report FY2022/23 to strengthen the oversight of sustainability with five new practices:

1. The Board, together with management takes responsibility for the governance of sustainability in the Group, including setting the Group’s sustainability strategy, priorities and targets.
2. Strategic management of MSMs by Senior Management.
3. The Board ensures the Group’s sustainability strategies, priorities, targets and performance are communicated to its internal and external stakeholders.
4. Performance evaluations of the Board and the Senior Management include reviews of their performance in addressing the Group’s material sustainability risks and opportunities.
5. The Board identifies a designated person within the management to provide dedicated focus to manage sustainability strategically.

The points above were emphasised during our Directors’ training on the Updates on Malaysian Code on Corporate Governance that was held on 18 May 2021.

SUSTAINABILITY REPORT

F. Our Material Sustainability Matters (Cont'd)

Applying the knowledge from that training, the Group has identified specific target for each MSM in **TABLE 2**.

TABLE 2

No.	Renamed MSMs in FY2020/21 & FY2021/22	Theme	MSM Targets
1	Ethics, governance and compliance	Economic	<ul style="list-style-type: none"> 100% adherence to internal rules and regulations, including standard operating procedures & policies ("SOPPs"), framework, codes and internal memos 100% comprehension and compliance with relevant rules and regulations with zero penalties, fines, summons, imprisonment, blacklisting and sanctions To create the structure necessary to nurture the culture of, always doing the right things Zero tolerance for fraud and corrupt practices as this poses a major risk to sustainability
2	Business development and expansion	Economic	<ul style="list-style-type: none"> Achieve sustainable growth in enterprise value (market value of total equity and debts less cash and cash equivalents) in line with our vision statement Acquiring new business that will contribute positively to PATAMI Achieve reasonable integration (alignment of shared values, direction and goal congruent) of newly acquired businesses via mergers & acquisition within two years from acquisition date
3	Innovation and technology enablers	Economic	<ul style="list-style-type: none"> Achieve excellence in our products and services through our innovative and high-performance culture in line with our vision statement Having reliable and value-for-money technologies that are stable, simple, speedy, safe and secure ("5S") to support all business processes
4	Project and job execution	Economic	<ul style="list-style-type: none"> Not more than 10% negative deviation in economic returns from the approved proposal by the promoters/ project owners Close monitoring, regular and transparent updates with early intervention for remedial actions, clear exit strategy with regards to deciding when to monetise or cut losses and an opportunistic strategy to achieve more
5	Proactive, dynamic and happy workforce	Social	<ul style="list-style-type: none"> Building a progressive and innovative workforce that drives growth and fosters fulfilling careers Getting staff involved in making positive impact on the well-being of local communities above and beyond our core businesses in line with our vision statement
6	Energy, resources and waste management	Environment	<ul style="list-style-type: none"> Managing waste towards zero waste over time Be more energy and resources efficient Promoting products and practices that help combat pollution and climate-related risks

SUSTAINABILITY REPORT

G. Sustainability: Raising the Game in A New Environment

The COVID-19 pandemic which started at the end of the previous financial year continues to wreak havoc, anxieties and risks throughout the financial year under review. The impact of the COVID-19 pandemic on the Group's performance and results was more prevalent for FY2020/21 because it was for the full 12 months of the financial year as compared to for FY2019/20, which was only for two months from the first active case in Malaysia on 4 February 2020.

As of 1 June 2021, the following geographical segments where ENRA operates recorded the following COVID-19 data (**TABLE 3**) (source: *worldometers.info*):

TABLE 3

	<i>World</i>	<i>Malaysia</i>	<i>Australia</i>	<i>The UK</i>	<i>Myanmar</i>
<i>COVID-19 cumulative cases</i>	171,313,637	572,357	30,105	4,487,339	143,629
<i>COVID-19 cumulative deaths</i>	3,562,864	2,796	910	127,782	3,217
<i>COVID-19 cumulative recovered</i>	153,603,158	490,038	29,086	4,289,486	132,319
<i>COVID-19 active cases</i>	14,143,615	78,017	109	68,467	7,929
<i>COVID-19 vaccination doses (% of population)</i>	1,843,645,150 (24%)	2,993,640 (9%)	4,031,539 (16%)	63,349,252 (95%)	2,994,900 (6%)
<i>Population</i>	7,869,537,318	32,742,870	25,768,871	68,210,816	54,741,892
<i>Annual GDP growth in 2020</i>	-3.3%	-5.6%	-2.4%	-9.9%	2.00%

COVID-19 was an unprecedented global event which caused and still continues to cause uncertainties on many levels from the Government's actions in tackling the health and economic problems, the speed and effectiveness of the vaccination program, and the response and reactions from our suppliers, customers, financiers and authorities. With this new business environment, we are aware that we need to adapt fast to ensure that the impact on our business due to volatility, uncertainty, complexity and ambiguity ("VUCA") of various factors is minimised.

Proactively, for those that is within our control, we have acted promptly so we can continue with our sustainability initiatives. Admittedly it has not been easy but the management has managed to adopt, adapt and innovate to progress. The fact that the management has been agile and nimble-footed enough to avert any untoward incidents and outcome should be applauded.

Our Group Human Capital and Administration ("GCHA") had introduced the Business Continuity Plan ("BCP") on 27 February 2020, two weeks ahead of the Government's declaration that COVID-19 was a pandemic and subsequently implemented the first Movement Control Order ("MCO") on 18 March 2020 ("MCO 1.0"). Since then, Malaysia has gone through various versions of MCOs to combat the pandemic and we expect this to continue changing by the day. Fortunately, due to our size, structure, system and style, we were agile and flexible enough to raise the game in business environment to protect the 3Ps – Profit, People & Planet.

ENRA is proud to note that there had been zero positive cases amongst its staff members during the financial year under review.

Our BCP has been successful in managing things within our control:

1. Minimising operational disruptions by embracing digital technology including:
 - i. the newly implemented mobile HR system (Ignite) – e-attendance, e-claims, e-leave, e-payroll
 - ii. virtual meetings with internal and external parties via multiple platforms (Microsoft Teams, Google Meet, Webex, Zoom, Skype, WhatsApp etc.)
 - iii. the shareholders' meeting, i.e. the 28th Annual General Meeting and Extraordinary General Meeting held on 25 September 2020
 - iv. normalising virtual Board & Board Committee meetings and Town Hall meetings

SUSTAINABILITY REPORT

G. Sustainability: Raising the Game in A New Environment (Cont'd)

- v. switching to online internal and external trainings that allowed further, cheaper and more convenient reach to our staff including those that are based abroad
 - vi. widening the scope of online banking beyond payroll-related payments
 - vii. using mobile tokens for online banking instead of a physical token
 - viii. leveraging on CCTV and drone technology for remote surveillance
 - ix. vessel satellite technology for our tanker, Ratu ENRA
 - x. using less paper-based documentation (hence less printers, papers, stationery costs and office space)
 - xi. switching to a digital approval process as an alternative to a physical sign-off
 - xii. arranged with customers to accept billings and supporting documentation via e-mail attachments
2. Keeping our staff and family safe and healthy from infection by the COVID-19 virus.
 3. Applying strict adherence to the SOPs issued by the Government from time to time for staff on a Work From Home ("WFH") and Work In Office ("WIO") rotation.
 4. Providing a special allowance of RM100 per month each during MCO 1.0 to all staff to purchase COVID-19-related necessities such as sanitisers, face masks, vitamins and wireless internet connectivity.
 5. Supplying the high end N95 facemasks to all staff at various locations when they were not readily available in the market during the early days of the pandemic.
 6. Supplying all ENRA premises with enough sanitising solutions and thermometers.

Despite the BCP that was made necessary by COVID-19, the Group also realised the merits of a more permanent WFH and WIO arrangement even after COVID-19 pandemic ends. We realised that our flexibility and agility in changing our work arrangement fast without operational interruption gave us the unique opportunity to optimise premises running costs via the execution of "Project Ophelia" to reduce our combined Kuala Lumpur office spaces from 11,378 to 7,494 square feet. The savings achieved was RM711,552 per year.

Raising staff engagement is imperative to operate in the new business environment.

1. With the right corporate culture within ENRA, wearing masks, physical distancing, regular hand sanitisation and washing with soaps, deep cleaning of premises, temperature and attendance taking via MySejahtera application came naturally.
2. To complement the BCP, the GHCA and Quality, Health, Safety & Environment ("QHSE") departments regularly issues Memo and QHSE Share Points to disseminate key messages and reminders to keep everybody safe and healthy so that everybody can continue to contribute to ENRA's business objectives.
3. The participation of all staff in ENRA COVID-19 Updates WhatsApp group platform is also encouraging where communication is more casual amongst staff to discuss breaking news and sharing solutions relating to COVID-19.
4. Potential exposure to COVID-19 infection, however remote were quickly reported to everyone and self-quarantine was imposed by the staff. All these incidences were eventually logged by our QHSE with the name of the staff involved, date of their quarantine and their twice-a-day temperature readings.

Based on these logs, we are able to note that 27 staff had self-quarantined themselves for a total of 213 man days. Despite the high man-days, there were actually very little man-days loss as the affected staff were still healthy and in good spirits, and they continued working under the WFH routine.



SUSTAINABILITY REPORT

G. Sustainability: Raising the Game in A New Environment (Cont'd)

5. The spirit of #KitaJagaKita in practice is clear in ENRA.

Amidst the prevailing VUCA, ENRA remains committed to the sustainability agenda to achieve continuous business growth and to generate long-lasting positive impact that will benefit the economy and society as a whole.

On a normalised basis, which exclude the one-off exceptional items of impairment loss on goodwill of subsidiaries of RM8.54 mil and the mutual separation scheme (“MSS”) agreed in March 2021 between ENRA and the 10 affected staff, we actually accomplished better profit numbers than our FY2019/20 results as shown in **TABLE 4**.

TABLE 4

<i>Group Profits</i>	<i>Audited FY2019/20 (RM'000)</i>	<i>Audited FY2020/21 (RM'000)</i>	<i>Normalised FY2020/21 (RM'000)</i>
<i>Profit/(loss) before taxation</i>	8,362	(3,398)	6,343
<i>Profit/(loss) after taxation</i>	4,481	(4,535)	5,206
PATAMI/LATAMI	2,480	(6,360)	3,381

H. How we Manage our MSMs

1. Material Economics Sustainability Matters

i. Ethics, Governance and Compliance

A sustainable business is one that is conducted in a meritocratic, transparent, legitimate and accessible manner without compromising its other corporate responsibilities to ensure its continued success and longevity.

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.

Our Corporate Governance Overview Statement, Statement of Risk Management and Internal Control (“SORMIC”) and Audit and Risk Management Committee Report contained in this Annual Report, as well as the Corporate Governance Report provide a fuller picture of the control environment and governance structure and culture within the Group.

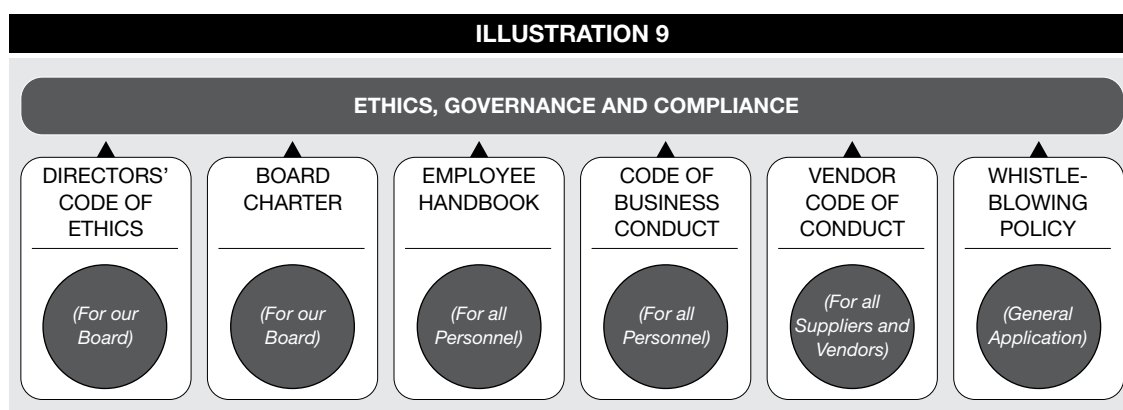
We have various instruments, tools and enablers in place at our disposal to ensure that the Group and its stakeholders comply with the various laws, regulations and practices applicable to our businesses. The following guidance in **ILLUSTRATION 9** was implemented to ensure that we meet this objective:

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

i. Ethics, Governance and Compliance (Cont'd)



As part of our sustainability practices, we ensure parties that we engage with including existing and potential employees, customers, vendors, suppliers, business partners and financiers comply with our standards of being ethical practices and codes of conduct throughout our business relationship. We perform periodical review of their performance to ensure continuous compliance.

We also carry out an annual compliance review of our vendors 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 being Ethical, Noble, Reliable and Accountable. The annual compliance review was emailed to our vendors in line with the BCP principles.

Likewise, we also welcome similar reviews, due diligence, and performance audits by all parties that we engage with. Internally, our various internal policies and procedures ensure that everyone within the Group complies with both regulatory, principals' and customers' requirements with a view to eliminate or reduce exposure to risks faced in our businesses.

a. Directors' Code of Ethics and Board Charter

Our Directors' Code of Ethics and the Board Charter are the primary internal documents to assist the Board members in exercising their fiduciary duties and to assess such performance collectively and individually.

b. Employee Handbook

Our Employee Handbook ("Handbook") explains matters pertaining to employment with the Group. The Handbook applies to all employees of the Group and enables employees to have a quick and easy reference to human capital policies, procedures and practices.

c. Code of Business Conduct

All employees are required to familiarise themselves with the Group's Code of Business Conduct upon employment. Every six months, all employees and our EXCO are to reaffirm their compliance with the Code by completing a questionnaire. This process is managed by our Group Internal Auditor and provides a means by which we can document awareness of the said Code and check compliance with the Code and other policies including our Whistleblowing Policy. The feedback from the questionnaire is considered by the EXCO and further deliberated by the ARM.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

i. Ethics, Governance and Compliance (Cont'd)

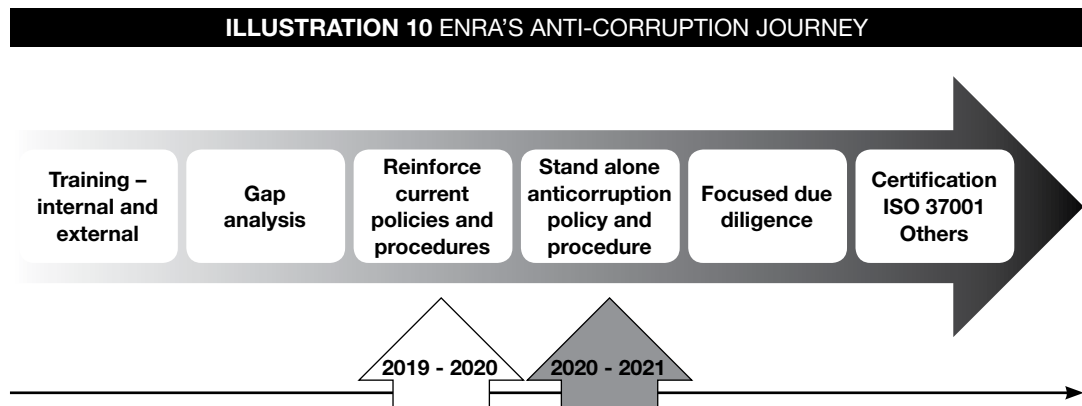
d. Vendor Code of Conduct

Our Vendor Code of Conduct sets out standards of business practice that are generally applicable to all vendors engaged by the Group. As a prerequisite to be an appointed vendor of the Group and as part of our procurement processes, all vendors are required to acknowledge compliance with and acceptance of the Vendor Code of Conduct. By the acceptance of a purchase order, letter of award, contract or agreement or by performance of any obligation to and agreed by the Group, vendors are expected to commit and are deemed to have committed themselves to comply with the Code at all times. The Group does not condone any unlawful or unethical practices by any of our vendors and will not extend any support or business opportunities to vendors that have negative reputations in the market. Non-compliant vendors will be blacklisted.

During the year, the Group was involved in two arbitrations with vendors we engaged for the Myanmar project of which we were having civil/ contract disputes with. The nature of the cases is disclosed in Note 41(c), (d) and (e) of the Audited Financial Statements for FY2020/21.

e. Anti-Corruption Policy & Procedure

The Group's anti-corruption journey is set out in **ILLUSTRATION 10** below:



Effective 31 March 2020, at every six-month intervals, all individuals within the Group must provide a written declaration that no corrupt act has been committed in the process of discharging their duties. Similar declarations have already been incorporated in our annual review of our vendors.

The Anti-Corruption Policy & Procedure has been approved by our Board and implemented Group wide with effect from 1 June 2020.

Subsequently, the Group has introduced the Gift / Entertainment / Hospitality & Reporting Guidelines on 30 April 2021 to give clarity to all staff about what is acceptable and what is not *vis-a-vis* giving and receiving gift and hospitality.

This guideline is to be read together with the Anti-Corruption Policy & Procedure and is applicable to each Director, employee and persons associated with ENRA and its group of companies.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

i. Ethics, Governance and Compliance (Cont'd)

f. Whistleblowing Policy

Our Whistleblowing Policy was established to provide appropriate communication and feedback procedures to enable employees and members of the public to report improper or unlawful conducts and ensure such incidences are handled in a transparent and confidential manner.

For the financial year, the Group did not receive any reports or complaint.

g. Compliance Programmes

The Group organises various training sessions and disseminates regular digital legal alerts, QHSE Share Points, GHCA internal memo, Group Commercial's training and Group Cost Optimisation & Procurement's compliance check. This is on top of the Group Internal Audit's annual programs.

Annual compliance reviews are conducted on all of our key departments and subsidiaries to ensure practices and performance of their respective functions and the Group's operations are in compliance with all existing Group policies and procedures that will help to determine areas for improvement.

h. Related party transactions

In line with our corporate values and as a responsible corporate entity, we make sure that the rights of our minority shareholders and institutional investors are adequately protected and our actions are not detrimental to them. The Board understands its fiduciary duties well comprising duty of care (diligent and conscientious), duty of candour (open, honest and frank) and duty of loyalty (to good principles and codes).

All transactions with related parties during the reporting period under review are supported by definitive agreements with terms and conditions that are on arms' length basis and on usual commercial terms.

For recurrent related party transactions, we have obtained the shareholders' mandate in the last Annual General Meeting and those transactions values are still below the threshold.

Related party transactions entered into by the Group for this financial year and the previous financial year are set out in **TABLE 5** below:

TABLE 5

<i>Type of transaction</i>	<i>FYE 31 March 2021 RM'000</i>	<i>FYE 31 March 2020 RM'000</i>
<i>Routine operational transactions</i>		
- <i>outflow of cash</i>	(11,407)	(11,236)
- <i>inflow of cash</i>	626	265
<i>Purchase of assets</i>	-	(22,891)

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

i. Ethics, Governance and Compliance (Cont'd)

i. Employee hubs

We have seen companies that have been forced to close for doing inappropriate things. That is why it is imperative that in line with our Ethical shared values, we have documents and enablers that are introduced and revised from time to time to ensure everybody does the right thing every time, even when nobody is watching, including but not limited to:

- Codes
 - vendors
 - business
 - directors
- Corporate policies
 - corporate drug & alcohol policy
 - corporate quality, health, safety and environment
 - corporate smoking policy
 - corporate stop work policy
- ISO 90012015 certificates (valid till 2022)
- Manuals
 - Quality management system manual
 - IT manual
 - Health, safety, environment management system manual
- Departmental policies & procedures
 - Group Finance
 - Group Commercial
 - Group Legal
 - Group Cost Optimisation & Procurement
 - Group IT
 - Group Human Capital & Administration
 - Risk Management
 - QHSE
 - Group Internal Audit
 - Company Secretary

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

i. Ethics, Governance and Compliance (Cont'd)

i. Employee hubs (Cont'd)

- QHSE alerts and SharePoint

Our QHSE team will regularly issue COVID-19 SharePoint advisory to the ENRA staff to provide safety reminders and updates.



These visuals are normally shared via our specially set up COVID-19 WhatsApp group and is usually followed with an official groupwide email distribution

We are pleased to report that we do not have not incurred any penalties, fines, sanctions, compounds and/or imprisonment that prohibit us from continue doing our business for FY2020/21.

ii. Business development and expansion

As a business, the Group needs to continue generating sufficient profits and liquidity in order to survive, stabilise and expand. We need a solid business model and strategy that can:

- achieve sustainable growth in enterprise value (market value of total equity and debts less cash and cash equivalents) in line with our vision statement
- contribute positively to PATAMI
- achieve reasonable integration (alignment of shared values, direction and goal congruent) of newly acquired businesses via mergers & acquisition within two years from acquisition date

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

ii. Business development and expansion (Cont'd)

Failure to achieve the economic MSM targets above may pose a threat to the Group's sustainability.



The results of the Group for the past few years (excluding exceptional items) are as **TABLE 6**:

TABLE 6

	FY2014/15 RM'000	FY2015/16 RM'000	FY2016/17 RM'000	FY2017/18 RM'000	FY2018/19 RM'000	FY2019/20 RM'000	FY2020/21 RM'000
Group Revenue	82,935	122,309	179,338	75,286	164,706	226,646	112,799
- Property Development Revenue	82,935	108,364	120,178	16,835	2,891	51,962	1,674
- Energy Services Revenue	-	13,945	59,160	58,451	161,815	174,684	111,125
Gross Profit	16,033	35,714	54,973	21,367	32,569	43,927	35,344
EBITDA	9,955	22,599	29,848	1,752	9,735	36,475	10,484
EBITDA excl. major EI	9,955	22,599	29,848	(2,340)	34,273	36,475	20,225
PBT/(LBT)	4,789	21,595	28,521	(9,574)	(20,192)	8,362	(3,398)
PBT/(LBT) excl. major EI	4,789	21,595	28,521	(5,482)	4,346	8,362	6,343
PATAMI/(LATAMI)	1,394	9,361	11,930	(10,860)	(24,613)	2,480	(6,360)
PATAMI/(LATAMI) excl. major EI	1,394	9,361	11,930	(6,768)	(1,915)	2,480	3,381
Net cashflow from operations	(8,750)	(2,413)	36,983	(20,600)	14,556	51,565	54,026
Cash and cash equivalents	(22,918)	25,644	39,679	21,970	22,836	43,457	30,510
Gearing Ratio – Grp. level (times)	0.69	0.23	0.37	0.46	0.14	0.84	0.54
Gearing Ratio – Co. level (times)	0.36	0.16	0.34	0.39	0.02	0.06	0.06
Dividend Amount	N/A	10,793	N/A	6,071	4,048	1,687	N/A
Dividend per Share (sen)	N/A	8.0	N/A	4.5	3.0	1.25	N/A
Dividend Yield	N/A	3.9%	N/A	1.7%	2.6%	1.04%	N/A
Share Price/Share as at FYE	RM1.95	RM2.05	RM2.83	RM2.66	RM1.15	RM1.20	RM0.62
Benchmark PATAMI (PE of 13x)	20,237	21,276	29,607	27,607	11,935	12,454	6,435

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

ii. Business development and expansion (Cont'd)

ENRA is a learning organisation and due to its size, it is adaptive to the changing landscape of the economic sectors from which it operates. Over the years, we had hits and misses with business development and expansion which partly explains the results that we had. However, we remain resilient and resolute to ensure that we continue as a going concern with positive cashflow.

A total of RM22.6 mil in dividends dividend has been paid to the shareholders over the years since the current controlling shareholders and management team took over.

While the full list of business development opportunities (such as those that we have secured, were unsuccessful due to various reasons or are currently pursuing) are confidential, we can chronicle our milestones in TABLE 7 from FY2014/15 to FY2020/21 based on public information.

TABLE 7

<i>Investments / divestments</i>	<i>Financial year</i>	<i>Purchase consideration / Disposal proceed (RM'000)</i>	<i>Agreement date / completion date</i>
<i>Incorporation of two UK companies i.e. Perduren Holding Company Limited and Fitzrovia Developments Limited intended to carry out the property business in the UK for the Group.</i>	<i>FY2014/15</i>	<i>immaterial</i>	<i>10.3.2015</i>
<i>Laying foundation for Energy Services division by incorporation of energy services companies like ENRA Energy, ENRA Kimia and ENRA Oil & Gas Services Sdn. Bhd.</i>	<i>FY2015/16</i>	<i>immaterial</i>	<i>1.4.2015</i>
<i>Acquisition of 75% stake in Fitzrovia Developments Limited to enter into the UK property market with Portland Chambers project of redevelopment of office premises into four units of flats in Central London.</i>	<i>FY2015/16</i>	<i>immaterial</i>	<i>14.4.2015</i>
<i>Incorporation of property development company, ENRA Labuan Sdn. Bhd. and ENRA Logistics Sdn. Bhd., ENRA Trading Sdn. Bhd. and ENRA SPM.</i>	<i>FY2015/16</i>	<i>immaterial</i>	<i>15.6.2015</i>
<i>Disposal of 30% stake in Landmark Zone Sdn. Bhd., the developer of Shamelin Star project in Cheras.</i>	<i>FY2015/16</i>	<i>8,300</i>	<i>8.12.2014/ 1.6.2015</i>
<i>Disposal of legacy subsidiaries in property investment, car park operations, hotel and recreation centre.</i>	<i>FY2015/16</i>	<i>73,200</i>	<i>8.12.2014/ 1.7.2015</i>
<i>Acquisition of 60 acres of Labuan land (under sea water).</i>	<i>FY2016/17</i>	<i>7,570</i>	<i>8.3.2017/ 21.8.2018</i>
<i>Disposal of Holiday Plaza & Shamelin Business centre assets and rental business via 6 agreements with buyers.</i>	<i>FY2017/18</i>	<i>85,149</i>	<i>15.5.2017/ 6.7.2018</i>
<i>4+1-years contract worth approximately USD12.0 mil per year for provision of gas condensate storage and offloading facilities and services in Yetagun, Myanmar.</i>	<i>FY2017/18</i>	<i>-</i>	<i>10.7.2017/ (until 25.4.22)</i>

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

ii. Business development and expansion (Cont'd)

<i>Investments / divestments</i>	<i>Financial year</i>	<i>Purchase consideration / Disposal proceed (RM'000)</i>	<i>Agreement date / completion date</i>
<i>Acquisition of leasehold land in Kemaman, Terengganu for ENRA Kimia's new warehouse.</i>	<i>FY2017/18</i>	<i>1,200</i>	<i>22.8.2017/ 13.8.2018</i>
<i>Construction of a new larger warehouse in Kemaman, Terengganu by ENRA Kimia.</i>	<i>FY2018/19</i>	<i>7,350</i>	<i>29.4.2018/ 5.5.2021 (CCC)</i>
<i>Disposal of the entire 70% interest in Landmark Zone Sdn. Bhd., the developer of the Shamelin Star project in Cheras.</i>	<i>FY2018/19</i>	<i>5,600</i>	<i>14.5.2018/ 14.5.2018</i>
<i>Acquisition of 100% stake in International Chemicals Engineering Pty. Ltd., a supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems in Australia and New Zealand as part of geographical expansion of ENRA Kimia.</i>	<i>FY2018/19</i>	<i>13,500 (AUD4.5 mil)</i>	<i>13.6.2018/ 13.6.2018</i>
<i>Acquisition of 51% stake in Abode Senior Living Limited to carry out a property development in a retirement home living estate in Rugby, Warwickshire, UK.</i>	<i>FY2018/19</i>	<i>immaterial</i>	<i>27.3.2019/ 27.3.2019</i>
<i>Acquisition of 51% stake in ENRA IOL Sdn. Bhd. to enter into the energy-saving lighting business.</i>	<i>FY2018/19</i>	<i>1,000</i>	<i>27.3.2019/ 27.3.2019</i>
<i>Sales of four units of flat in London in less than one year from redevelopment completion in February 2019.</i>	<i>FY2019/20</i>	<i>48,426 (GBP9.082 mil)</i>	<i>Various dates in FY2019/20</i>
<i>Acquisition of 51% stake in Q Homes via a shareholders' agreement with IBGH Capital Sdn. Bhd. to collaborate in the business of property development in Malaysia.</i>	<i>FY2019/20</i>	<i>128</i>	<i>31.5.2019/ 20.6.2019</i>
<i>Acquisition of a vessel "Ratu ENRA" for the Myanmar project for better control over operation and improved profitability.</i>	<i>FY2019/20</i>	<i>38,870 (USD9.3 mil)</i>	<i>7.10.2019/ 8.7.2020</i>
<i>Acquisition of a single point mooring buoy system for the Myanmar project for better control over operation and improved profitability.</i>	<i>FY2019/20</i>	<i>14,630 (USD3.5 mil)</i>	<i>14.8.2019/ 18.2.2020</i>
<i>Acquisition of the Kilkenny property in Dandenong, Victoria, Australia on a freehold land to secure an appreciating asset where ICE is currently operating on.</i>	<i>FY2019/20</i>	<i>4,074 (AUD1.45 mil)</i>	<i>31.3.2020/ 31.3.2020</i>

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

iii. Technology enablers and innovations

a. Cybersecurity and IT infrastructure

Typically, companies allocate between 1-2% of its revenue for IT investment and spending. In the context of ENRA, that would translate to between RM1.0 mil to RM2.0 mil. However, that amount is a luxury given our PATAMI performance that is not yet stable.

Nonetheless, despite limited budget for technology investment and resources, our Group IT ("GIT") team has being resourceful and creative with practical and cost-effective solutions in line with the Group wide Cost Savings Initiatives ("CSI") that started in 2017.

Data privacy and protection, Internet & Network Security, Backup & Disaster Recovery of ENRA System & Infrastructure are protected with the expertise of our GIT that looks after all of our IT assets across companies and in multiple locations including in Australia and Myanmar. These include:

- Strict adherence to GIT's SOPs & manual
- Multiple interval daily data backup
- Interconnecting all branches' office networking & infrastructure with headquarters for remote monitoring and technical support
- Engaged with CyberSecurity Malaysia for penetration test to ensure infrastructure and internal & external connectivity are secured
- Standardised the use of Microsoft Windows Operating System, Antivirus Protection and Business-Approved applications such as Microsoft Teams, SAP Business One, Teamviewer and SQL Accounting
- Standardised use of laptop and desktop within the organisation
- Access-restriction to certain internet sites that are susceptible to scam, phishing, cyber-attacks and security breaches
- Alert prompting and warning from GIT on suspicious e-mails
- Segregation of Wi-Fi access for visitors that require registration to facilitate monitoring
- Application of up-to-date virus protection programs
- Logical access control – login and passwords
- Physical access controls – locks, alarms, CCTV
- Disaster recovery plan with offsite secure location
- Setup and configured our offshore vessel, Ratu ENRA's network system to connect to the Group's premises. This involved connecting the onboard systems to the Group's headquarters server for monitoring, troubleshooting, data transfer, email and system backup purposes. Surveillance via stable, reliable and fast internet and satellite connection is available
- Secured shared folder solutions
- IT assets leasing program with three years rejuvenation/upgrade cycle

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

iii. Technology enablers and innovations (Cont'd)

a. Cybersecurity and IT infrastructure (Cont'd)

TABLE 8 sets out the Group's total expenditure on our IT infrastructure over the last five years.

TABLE 8

	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	Grand Total
IT CAPEX & OPEX – OUTRIGHT PURCHASE (RM)							
<i>ENRA</i>	103,236	45,136	20,131	22,569	28,550	39,369	258,991
<i>ENRA Kimia</i>	13,167	-	100,284	2,100	6,091	6,705	128,347
<i>ICE</i>	-	-	-	-	38,534	13,975	52,509
<i>ENRA SPM Group</i>	-	-	-	-	56,668	199,796	256,464
IT – LEASING ARRANGEMENT (RM)							
<i>ENRA</i>	-	-	232,191	180,913	243,991	301,066	958,161
<i>Grand Total</i>	116,403	45,136	352,606	205,582	373,834	560,911	1,654,472

Generally, the Group acquires its IT infrastructure (hardware, software, firewall, antivirus and licences) under a leasing program with a view to upgrading them at the end of each leasing term to ensure that the performance of such components are at its optimum level, efficient, productive and not suffering from obsolescence and machine fatigue / ageing. Besides, it is also a good cash flow management solution for ENRA. However, with proper justification, subsidiaries were allowed flexibility in handling their own IT-related acquisitions.

Our inhouse systems and infrastructure are fully self-managed by our GIT. While contributing towards our CSI, this approach also enriches our GIT personnel with valuable experience and confidence.

The GIT team is also always motivated to perform Do-It-Yourself (“DIY”) tasks and projects which keeps their jobs interesting and also helps conserve cash for the Group. The DIY initiatives include:

- Enabled cloud data storage access by configuring a centralised shared storage on Disk Station for the sales team to use as a temporary working folder on cloud access that would sync with the local computer
- Enable remote connectivity via secure connection for the staff to connect with the office network and continue to access the system while WFH or remote locations
- As part of CSI, the GIT Team helps the company to come out with graphic design for all official events, greetings & festival cards and also for website use
- Meeting room reservation system
- Installation of CCTV and cabling for IT infrastructure
- Help with shifting of offices by reconfiguring IT infrastructure and the associated devices

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

iv. Workplace efficiency

A number of initiatives to enhance workplace efficiency have been established.

a. CSI and Process Shredding

The Group's CSI has been an effective tool instituted by the Group and encourages employees to work on achieving either:

- Cost avoidance;
- Cost reduction;
- Cost containment; and
- Value enhancement.

The combination of perpetual drive for new CSI ideas and more WFH hours has resulted in the process shredding exercise that not only reduces operational cost but also improves the processing speed and productivity; particularly with regards to the procurement and accounting work flow whereby:

- less keying in and clicking of buttons are needed;
- shorter action time for each step;
- shorter waiting time from one step to another; and
- reduction in printing cost as well as we migrate to digital processing.

b. On an aggregate basis, the Group's operating expenditure (excluding exceptional items) has actually decreased by RM11.4 mil since last year as shown in **TABLE 9**

TABLE 9

<i>Group</i>	<i>FY2017/18</i> <i>RM'000</i>	<i>FY2018/19</i> <i>RM'000</i>	<i>FY2019/20</i> <i>RM'000</i>	<i>FY2020/21</i> <i>RM'000</i>
<i>Revenue</i>	75,286	164,706	226,646	112,799
<i>Operating expenses (excluding EI*)</i>	28,433	30,475*	35,873	26,599*
<i>OPEX-revenue ratio (%)</i>	37.8%	18.5%	15.8%	23.6%

* *The exceptional items in respect of FY2018/19 were in relation to impairment loss on trade debtor under liquidation of the remaining RM15.3 mil and the written down of the London flats by RM9.3 mil. The exceptional items in respect of FY2020/21 were in relation to RM8.5 mil goodwill impairment loss and RM1.2 mil in relation to the MSS.*

c. Decentralisation and manpower review

In FY2020/21, more emphasis was made on decentralising the functions done at Group level down to the respective companies as well as a critical review of the manpower requirement relative to base revenue size.

Consequently, the Group has executed a MSS to right size the Group in the fourth quarter of FY2020/21 with 10 people leaving the Group from several companies. The fairly generous one-off MSS compensation costed RM1.2 mil in FY2020/21 but will saved the Group RM1.3 mil per year moving forward. The job roles and functions of the MSS participants had been allocated to the remaining staff relatively smoothly.

The RM1.2 million MSS cost is an exceptional item to the income statement. The management does not expect any more MSS to be carried out.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

v. Project and job execution

a. Monitoring for sustainable business

It is important for the Group to manage its projects and jobs efficiently from the point of inception right through planning, implementation, completion and post completion analysis. Post-completion analysis is a crucial activity to address lessons learnt and implement measures and practices for future projects/ jobs.

From experience, the Group appreciates the following points:

- The need to analyse the thoroughness of our due diligence process;
- Project completion needs to be timely and within assigned budgets;
- Contingency plans are need to be set to mitigate any materially adverse effects of reasonably foreseeable events;
- The project team must be sensitive to the changes to market conditions that require quick intervention or modification to the execution of projects or the need for an exit plan;
- Project progress must be properly monitored given cognisance to the directives of the Board and Senior Management; and
- The physical progress of each project must be properly monitored against financial progress; both need to be balanced.

The Group uses the following project management platforms to monitor the various projects we undertake:

- Monthly Financial Review Meeting (“MFR”)

MFR takes place once a month and is attended by the head of each subsidiary and accompanied by the subsidiary’s head of finance, and officers of key projects undertaken by the subsidiary. Each company presents their performance results to our EXCO during which, a review of the financial performance of each subsidiary and top five achievements and areas for improvement respectively are discussed.

Comparisons would be made between actual and budgeted numbers for the month, and year-to-date. Projections for the year versus the approved annual budget, and implementation of a remedial plan to meet or exceed the budget would be discussed.

- Group Management Committee (“GMC”)

This meeting is usually conducted on the Monday of the first and third week of the month, focusing more on operational updates and business development strategies from key management personnel including the EXCO. The members will brainstorm on practical solutions to support each other during this session.

- EXCO Meeting

This EXCO meeting is usually set on Wednesday of the second week of the month focusing on matters that require specific approval from the EXCO. Whilst such formal EXCO meetings have been in place since early March 2019, the EXCO regularly communicate and discuss Group matters amongst each other via other forums and channels.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

1. Material Economics Sustainability Matters (Cont'd)

v. Project and job execution

a. Monitoring for sustainable business

- QHSE Review

All projects undertaken by the Group, are subject to periodic review by our QHSE department. These reviews are crucial to ensure compliance with applicable rules, regulations and standards and all QHSE related issues are resolved promptly to avoid any delays in project completion.

vi. Tender, quotation and proposal management

The preparation and timely management of tender, quotation and proposals to meet prospective clients' requirements whilst providing for the right price structure is important to the Group.

The following processes and parameters have been put in place to ensure that the Group's order books remain healthy. They cover the general approach undertaken by the Group when bidding for job opportunities

a. General process

- An asset-light approach (involving minimal upfront cost) shall be applied where possible.
- Ensuring that the opportunity is within the ambit of the management's expertise or that the opportunity is sufficiently managed by existing management/promoters (e.g.in situations where ongoing or operating business or company acquisitions are pursued).
- Preliminary desktop research and assessment on the industry involving the opportunity (case-by-case basis depending on type of project/business/industry/opportunity).
- If necessary, in a situation where the management has very basic knowledge of the industry, external advisors shall be consulted (industry experts, tax consultants, regulators etc.).
- Detailed financial projections shall be prepared with assistance from the Group Finance Department on financing, accounting and tax issues.

If the opportunity is considered viable, Group Commercial shall formally propose and seek EXCO's approval to pursue the opportunity further via the submission of a proposal paper for EXCO's approval or during an EXCO meeting after which the terms and conditions will be reviewed by Group Legal.

Subject to prospective clients' requirements and approvals, the involvement of potential business partners and the expertise, financial position and track records that they bring with them, are considered for such tenders in order to fully reap the benefits presented by the opportunity.

b. Proper assessment of prospective clients' 4Cs is important for the sake of business sustainability. The 4Cs are:

- Character - reputation, integrity, ability and willingness to pay
- Credentials - proven track record
- Capabilities - present and potential
- Connections - for referral and recurring revenue

Furthermore, as a matter of risk management policy, the Group will avoid companies that have dealings with sanctioned countries or companies set up in tax havens such as British Virgin Islands, Cayman Island, Isle of Man, Belize and the likes, as well as being very selective in taking sub-contracting jobs.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters

i. Proactive, dynamic and happy workforce

a. Employment recruitment practices

While we continue to grow our enterprise value as per our vision statement, we are mindful that human resources issues should not be relegated to a minor role in the grand scheme of things. Our recruitment is non-discriminatory and the main criteria is meritocracy and whoever that we recruit are given equal opportunities.

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 emphasised. Having a diverse workplace, also offers a selection of different talents, skills and experiences, perspectives and ideas.

Diversity and non-discrimination (equal opportunities) are embedded in our Code of Business Conduct and Handbook.

Please refer to the following charts (**ILLUSTRATIONS 11-16**) for a snapshot of the diversity in workforce over the years.

ILLUSTRATION 11 - GENDER DIVERSITY

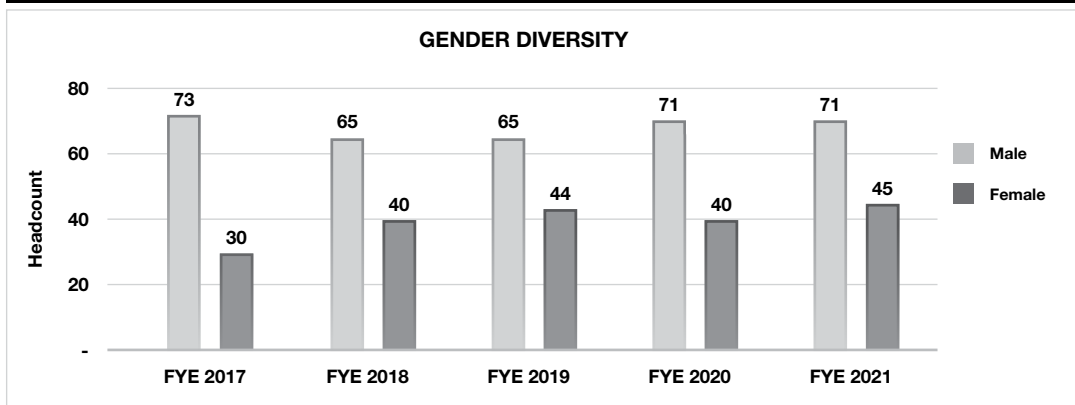
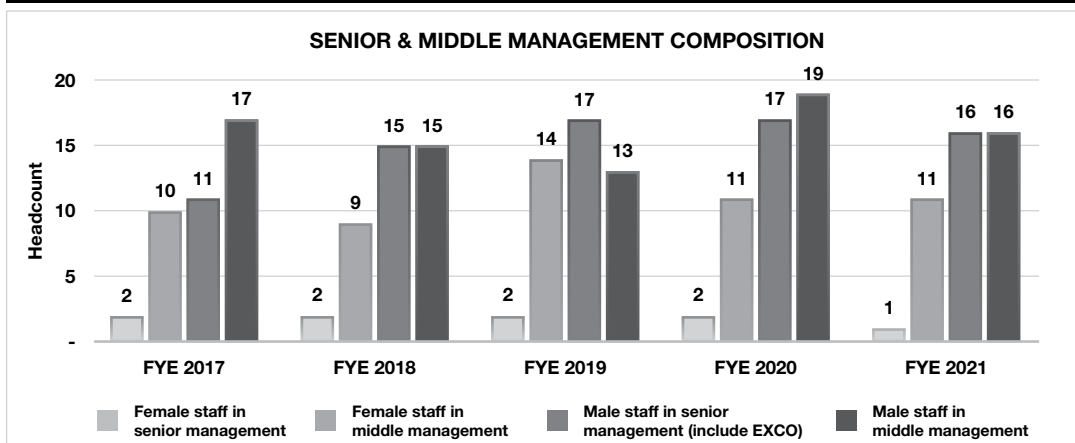


ILLUSTRATION 12 - GENDER COMPOSITION OF SENIOR & MIDDLE MANAGEMENT



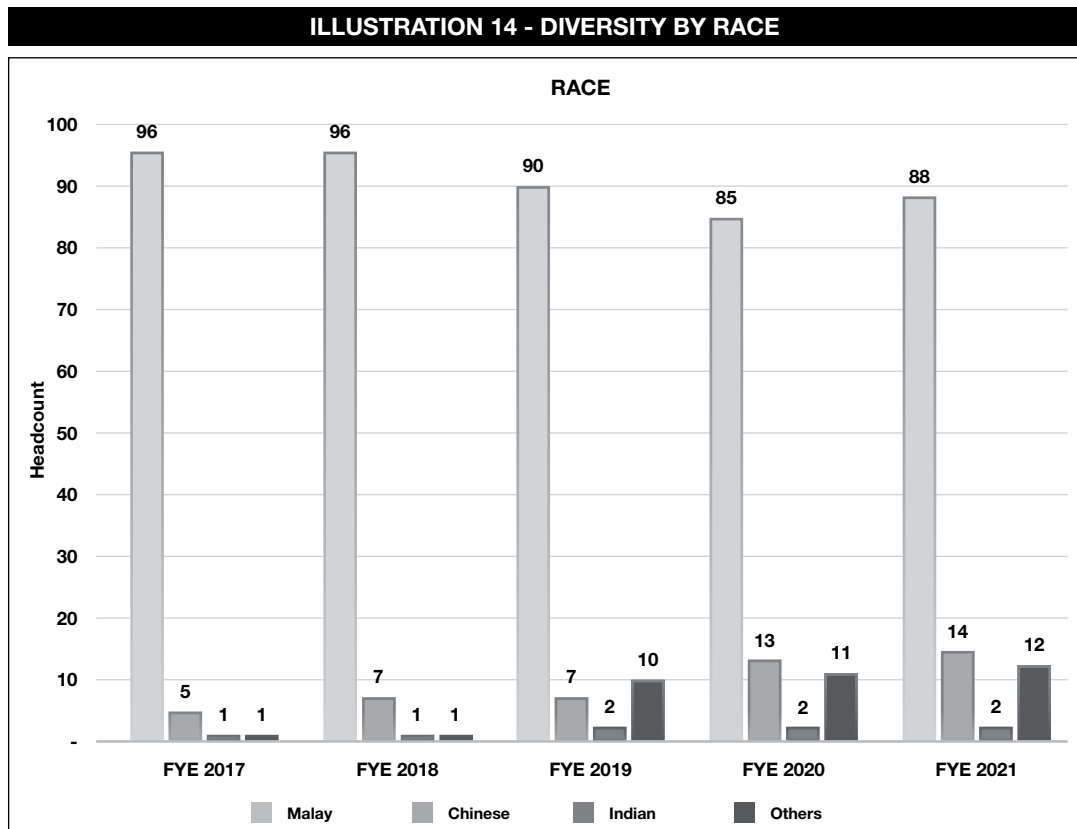
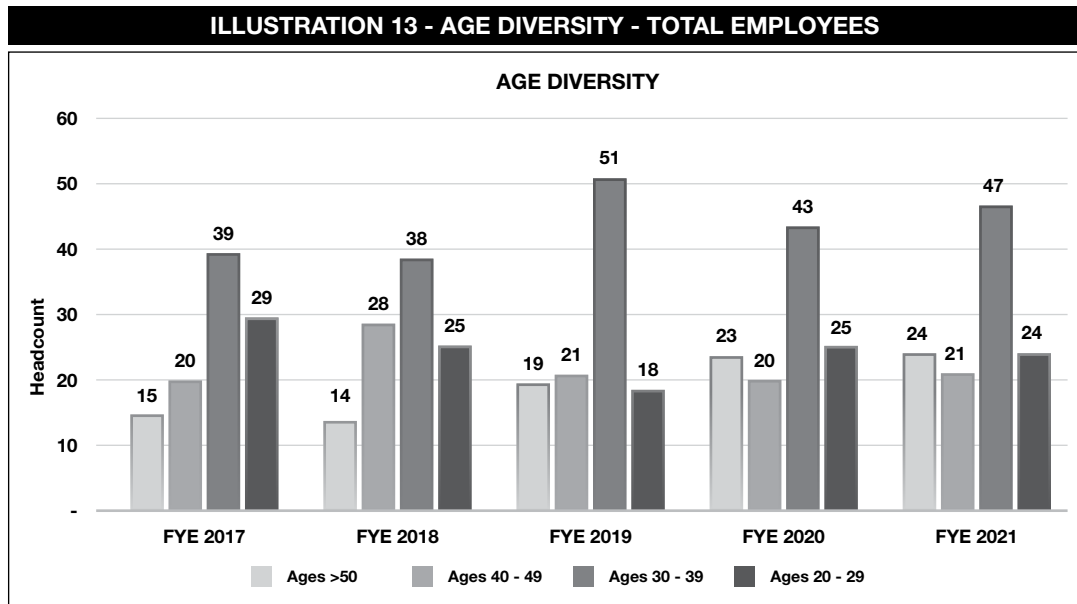
SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

a. Employment recruitment practices (Cont'd)



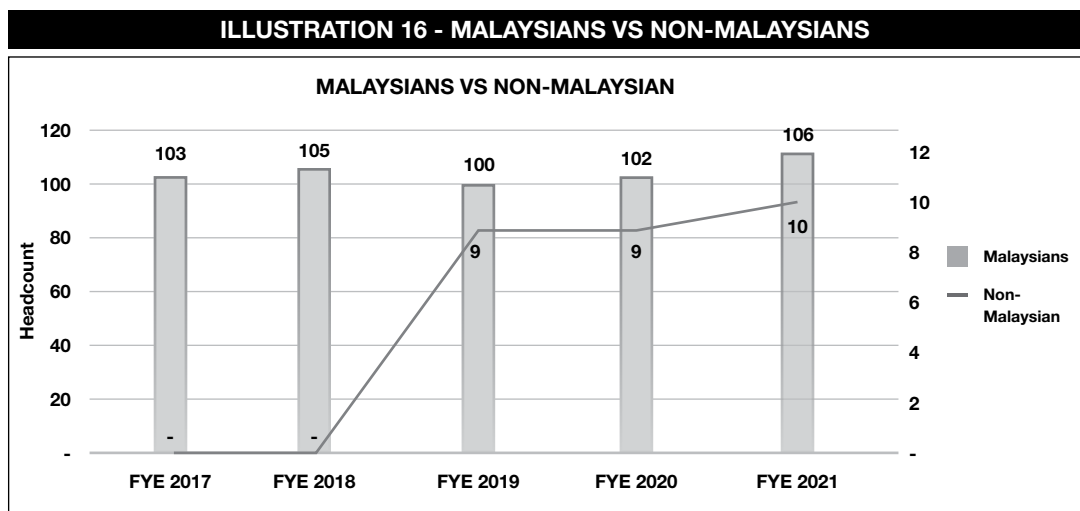
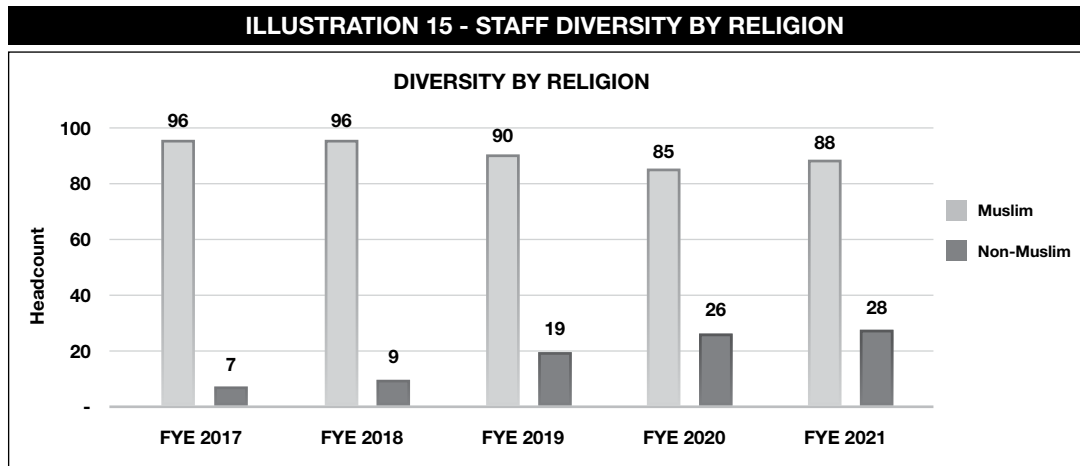
SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

a. Employment recruitment practices (Cont'd)



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 GHCA while complying with relevant data protection guidelines including but not limited to the Personal Data Protection Act 2012 and anti-discrimination laws. **ILLUSTRATION 17** demonstrates our appreciation of job security as an important consideration to employee morale as the majority of our employees are employed on a permanent basis.

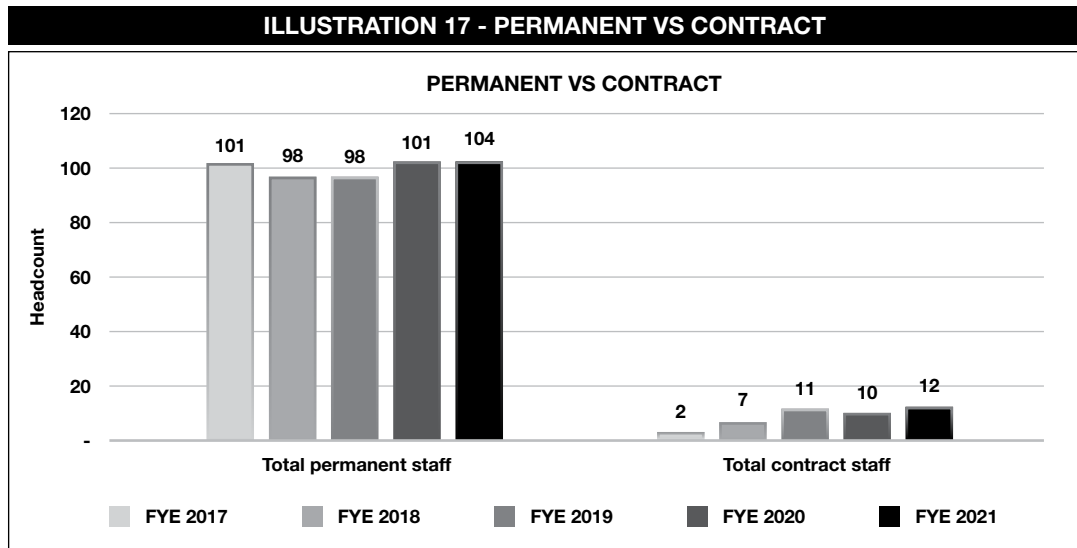
SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

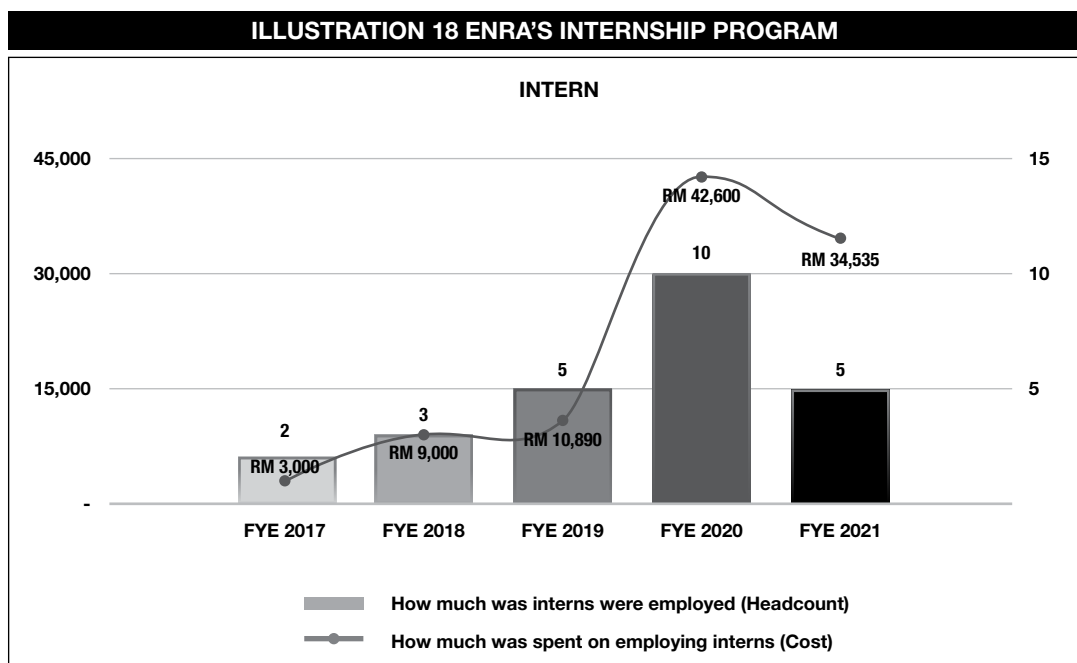
i. Proactive, dynamic and happy workforce (Cont'd)

a. Employment recruitment practices (Cont'd)



Internship Program

Each Department is expected to undertake their own internship programme as part of giving back to academic fraternity. Interns include student at diploma, undergraduate and post-graduate levels that are hungry for hands-on and on-the-job practical training. In addition, is it also very cost effective too. **ILLUSTRATION 18** shows the progression of our internship programme over the years.



SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

- i. Proactive, dynamic and happy workforce (Cont'd)
- b. Employee benefits – to attract and retain staff

In addition to taking steps to keep within market and industry norms in determining remuneration for our people, while being financially responsible, we provide our employees with medical and expenses allowances, and insurances that extend to their immediate family members for that added peace of mind. The insurance premium over the years is shown in **TABLE 10** below.

TABLE 10

<i>Annual premium (claim) (RM)</i>	<i>FY2016/17</i>	<i>FY2017/18</i>	<i>FY2018/19</i>	<i>FY2019/20</i>	<i>FY2020/21</i>
<i>Group</i>	283,041	255,720	225,746	329,940	200,657
<i>Hospitalisation & Surgical</i>	(157,146)	(223,798)	(205,594)	(95,197)	n/a
<i>Group term life</i>	57,432	59,258	63,049	71,302	77,390
<i>Group personal accident</i>	11,931	9,694	10,901	10,891	8,230
<i>Headcount</i>	82	88	91	95	92

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 three consecutive years and who desire to perform their religious pilgrimage, we allow paid leave of 40 consecutive days once during their employment. We have similar benefits for colleagues of other faiths to perform religious pilgrimage of their own.

To promote personal development of our people, we pay for the cost of all professional memberships for every employee each year rather than being calculative and limiting it to one for each employee.

Offering flexible working hours to our employees within the WFH & WIO arrangement is a strong evidence of our emphasis on 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 is one of the many non-monetary benefits that ENRA offers which is highly valued by staff especially the working mothers to allow them to balance their career with their family commitments. In fact, ENRA offers 90 days maternity leave that is not practiced by many employers.

ENRA also supports staff personal financial planning by accommodating to the request for salary deduction for transferring monies into their asset management fund, Tabung Haji savings accounts and for various *zakat*.

We will annually review 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.

As a caring and listening employer, the Group has in place a grievance handling platform as set out in our internal Employee Relations policy which provides employees with a trusted 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.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

c. Human capital development – to improve workforce productivity and dynamism

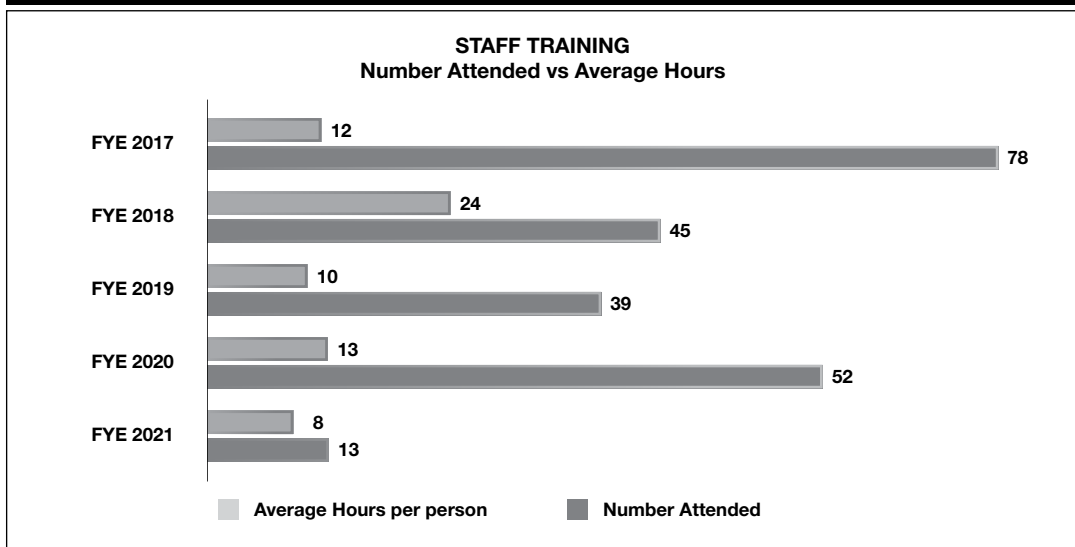
As a learning organisation, ENRA takes pride in developing and enhancing the talents that it acquires. Every staff is a student and a mentor at the same time. ENRA is essentially a “*de facto* university”, and we take upon ourselves to contribute to the betterment of our people in order to ensure a sustainable 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. A racer needs a good car to win a race, and a business needs a good team to sustain its growth.

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

ILLUSTRATION 19 is evidence of the importance we place on training and development. It demonstrates that the training hours attended by middle management is critical for operational excellence and business expansion.

ILLUSTRATION 19 - STAFF TRAINING



In addition to training by external consultants, employees are provided with opportunities to learn from the experience and expertise of their own peers through in-house trainings. In-house training is cost effective and efficient while promoting knowledge sharing within our Group. It sharpens the presentation skill and builds up the self-confidence of our people too in doing so.

SUSTAINABILITY REPORT

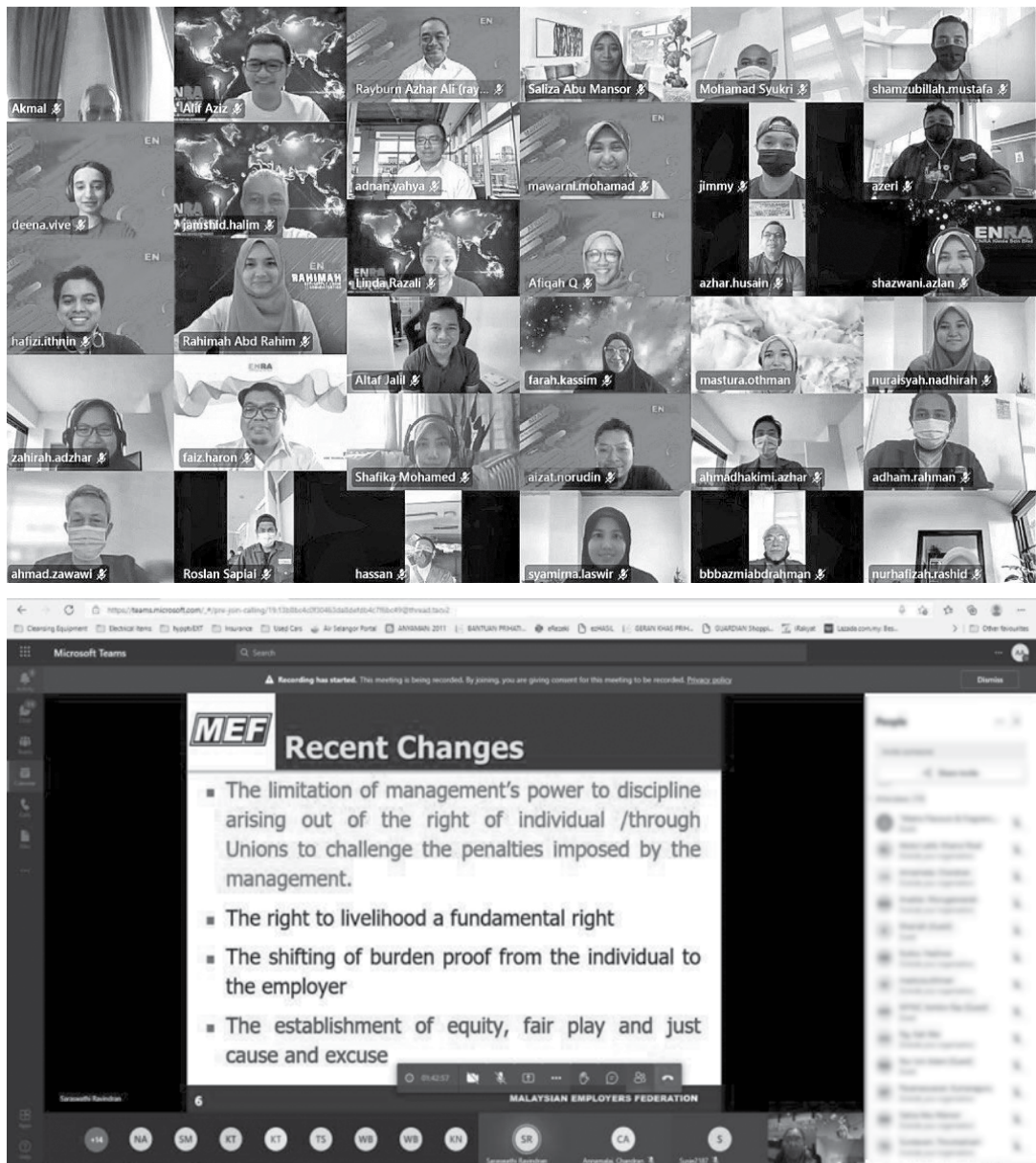
H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

c. Human capital development – to improve workforce productivity and dynamism (Cont'd)

ENRA also encourages the staff to participate in talks to university students that are relevant to their studies. For example, the “Industry In The Classroom” talk for Accounting & Finance and Marketing students of Universiti Malaysia Terengganu was conducted by the Group CFO in March 2021.



Screen grabs of online staff training

We 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.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community

- **Yetagun offshore staff crew-change and repatriation mission in June 2020 (Cont'd)**

ENRA had successfully embarked on a crew-change exercise involving demobilising 13 crews and outsourced professionals onboard our modified tanker, Ratu ENRA and mobilising 12 crews and outsourced professionals to replace them in June 2020 when the protocols at that time was still being developed as COVID-19 is an unprecedented global event, with assistance from the Malaysian and Myanmar government agencies and embassies.

This interesting mission involved an ensemble of proactive ENRA staff that volunteered to be part of the taskforce led by our President & Group Chief Executive Officer ("PGCEO"). This mission needed careful planning, coordination and execution as the crew and professionals were desperately relying on ENRA to perform the crew-change safely with the challenges of the border closure and quarantine requirements due to the COVID-19 travel restriction.

Being a morally responsible corporation, ENRA had also offered its chartered commercial airline which otherwise had spare seats for both Yangon-bound and KL-bound to fly Myanmar and Malaysian citizens that were stranded in respective foreign lands during that time. A total of 206 civilians (non-Yetagun project people) benefited from this mission.



SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community (Cont'd)

- **Yetagun offshore staff crew-change and repatriation mission in June 2020**

The success of the repatriation mission reflects the following:

- ENRA's commitment to its contractual obligations is driven by its core values of being Ethical, Noble, Reliable and Accountable.
- We take pride in the fact that we were the only contractor for this offshore operation that remained operational despite COVID-19 conditions.
- Assistance extended to ENRA by agencies and embassies of both Malaysia and Myanmar indicated the high trust and confidence in ENRA by others.
- At the end of the mission, we were approached by a bigger international company; referred to us by the Myanmar Embassy in Kuala Lumpur, to provide advisory on how to repatriate their offshore crews in Myanmar.
- The commitment shown by Senior Management in the repatriation mission reassures the staff that ENRA is truly committed to the well-being of its staff.

- **Zakat Wakalah (tithe agency) program for ENRA staff to help fellow Malaysians**

Under the Board's approved Group *Zakat* Framework introduced in 2018, ENRA and its subsidiaries paid business *zakat* on behalf of its Muslim shareholders to Pusat Pungutan Zakat ("PPZ"), Wilayah Persekutuan Kuala Lumpur and Labuan, at 2.5% of audited net profit of previous year. Business *zakat* paid is tax deductible.

Besides business *zakat*, ENRA also pays personal *zakat* on behalf of participating Muslim employees through salary deduction arrangement. A portion of all business and staff's personal *zakat* paid would be available for redistribution by ENRA on behalf of PPZ to eligible recipients ("asnaf") identified by ENRA.

With the inclusivity of staff in running the *zakat wakalah* program, it gives satisfaction to them that:

- they are working for a genuinely caring employer and
- they can play a direct role in easing the burden of fellow Malaysians, including those that they know are unfortunate because of COVID-19 by nominating the asnaf to the *Zakat Wakalah* committee, which is chaired by the PGCEO and includes PPZ's representative as adviser.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community (Cont'd)

- **Zakat Wakalah (tithe agency) program for ENRA staff to help fellow Malaysians (Cont'd)**

ENRA's Zakat Wakalah program have benefited many asnaf (zakat recipients) in **TABLE 11**:

TABLE 11

Zakat type - 2021	Entities	Zakat paid (RM)	Zakat wakalah (RM)	Asnaf
Business zakat (37.5% for self-redistribution)	ENRA	86,848	32,568	91
Business zakat (37.5% for self-redistribution)	ESPML	33,725	12,647	50
Business zakat (37.5% for self-redistribution)	ENRA KIMIA	258,759	163,869	284
Staff's zakat payment (12.5%)	ENRA	192,496	24,062	40
Individual zakat wakalah for Kemaman	Staff	n/a	75,250	201
Individual zakat wakalah for Labuan	Staff	n/a	35,000	140
TOTAL		571,828	343,396	806

The self-distribution to the various asnaf groups namely *fakir*, *miskin*, *al-gharimin*, and *fi sabilillah*, were in the form of cash handouts, food baskets, and household items (post-flood assistance) in Peninsular Malaysia and Labuan. The cash handouts provided some relief for the extreme poor, jobless, single mothers and disabled persons that we had collectively identified.



Besides that, the Group also distributes 93 tablets and internet starter packs to primary school students, specifically in Kemaman, Terengganu (where ENRA Kimia has its operation) to assist them to cope with online learning which became prevalent due to the COVID-19 pandemic. On top of the tablets and internet starter packs ENRA Kimia also distributed food packs to the needy.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community (Cont'd)

- **Zakat Wakalah (tithe agency) program for ENRA staff to help fellow Malaysians (Cont'd)**



Through our subsidiary, Q Homes, we distributed household items funded by *Zakat Wakalah* funds to the Maran community who were affected by flood which had inundated their homes.

This program will continue in the future as it benefits many people in the *Zakat Wakalah* ecosystem for as long as ENRA is profitable.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community (Cont'd)

- **Corporate Social Responsibilities (“CSR”) programs**

Besides *zakat*, ENRA also has the conventional way of giving back to the society via its CSR programs. For this year, the focus was on those helping those health and livelihood were affected by the COVID-19 pandemic in **TABLE 12**.

TABLE 12

No.	Entities	CSR programs	RM
1	ENRA	Cash contribution towards hand sanitiser supplies by National Institute of Biotechnology Malaysia	10,000
2	ENRA SPM	Cash contribution for medical supplies such as masks, protective suits, hoods, gloves, face shields and plastic, aprons for first-liners in Myanmar via a COVID-19 fund managed by the Malaysian-Myanmar Chamber of Commerce	10,000
3	ENRA	Cash contribution for the supply of face shields under Projek Pelangi (Projek Inisiatif Anak-Anak Rumah Kebajikan Warga Prihatin)	10,000
4	ENRA	Cash contribution for teachers' salary for Persatuan Kebajikan Anak-Anak Istimewa Selangor (Down Syndrome)	10,000
5	ENRA	Cash contribution to Pertiwi Soup Kitchen for meals for the homeless and hard-core poor	2,000
6	ENRA	Cash contribution to Kechara Soup Kitchen for vegetarian food, medical care, and clothing for the needy, regardless of race or religion	2,000
7	ENRA	Cash contribution to Good Shepherd Services for food and shelter for women, children in under-served communities	2,000
8	ENRA	Cash contribution to Yayasan Chow Kit to care for abandoned and vulnerable children by providing food, therapy, case management and education programmes	2,000
9	ENRA	Cash contribution to Malaysian Relief Agency's mission to provide health and education to Orang Asli, disabled people and the Rohingyas	2,000
10	ENRA Kimia	Donated 100 boxes of 3M R95 maintenance-free respirators to Hospital Kuala Lumpur as part of their support for COVID-19 front-liners	21,000

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)


2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community (Cont'd)

- **Corporate Social Responsibilities (“CSR”) programs (Cont'd)**

TABLE 12 (CONT'D)

No.	Entities	CSR programs	RM
11	ENRA/ ENRA SPM/ ESPML	<p>Repatriation flight to and from Yangon as part of the exercise to perform Ratu ENRA's crew change procedure for our offshore operations at the Yetagun gasfield in Myanmar. In the process, we helped to evacuate Malaysians stranded in Myanmar due to the initial COVID-19 global lockdown and likewise for Myanmar citizens stranded in Malaysia. The returning Malaysian citizens or their non-Malaysian family members were charged a token fare of RM600 over an actual cost per head of RM828;</p> <p>147 Myanmar nationals benefitted from the outgoing flight to Myanmar (free flight)</p> <p>11 Malaysian citizens and Malaysian PR holders (subsidised flight)</p>  <p><i>An announcement which appeared on the Malaysian Embassy Myanmar website</i></p>	<p>122,544</p> <p>2,508</p>

- **Responsible Corporate Entity**

In an effort to be a good corporate entity we not only gave back to the society through our Business *Zakat*, *Zakat Wakalah* programs and our CSR activities, we also gave back to the nation for nation-building via our tax payments. Over the years since the current shareholders took over Perduren Berhad and changed it to ENRA Group Berhad, we have been paying corporate tax responsibly at an aggregate RM27.2 million to-date as per **TABLE 13** below;

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

2. Material Social Sustainability Matters (Cont'd)

i. Proactive, dynamic and happy workforce (Cont'd)

d. Pride in serving a socially responsible employer that serves the community (Cont'd)

- **Responsible Corporate Entity (Cont'd)**

TABLE 13

<i>FY</i>	<i>Net Tax Paid</i>	<i>RM'000</i>
2015/16		6,566
2016/17		8,659
2017/18		3,259
2018/19		3,399
2019/20		3,736
2020/21		1,583
Aggregate		27,202

3. Material Environment Sustainability Matters

i. Waste management

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

Consistent with our Vision Statement, we are committed to complying with all laws, rules and regulations relating to protection of our environment. **TABLE 14** shows the waste disposal and management techniques deployed in our operations.

TABLE 14

Environmental Management System	<ul style="list-style-type: none"> • Compliance with the Environmental Quality Act 1974 in Malaysia and similar regulations in Australia and Myanmar. • ENRA Oil & Gas Services Sdn. Bhd. and ENRA Engineering & Fabrication Sdn. Bhd. compliance with Health, Safety and Environment Management System per the Environment Management System (ISO 14000:2015) and PETRONAS Health, Safety and Environment Management System Guidelines. • ENRA Kimia is expected to have this system in place in the near future. • Ratu ENRA must use fuel oil containing a maximum of 0.50 percent m/m sulphur to comply with an International Maritime Organization (“IMO”) amendment to the International Convention for the Prevention of Pollution from Ships (“MARPOL”) known as Regulation 14.
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SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

3. Material Environment Sustainability Matters (Cont'd)

i. Waste management (Cont'd)

Scheduled Waste and Odour	<ul style="list-style-type: none"> ENRA Kimia and ICE in the speciality chemicals business have in place appropriate internal policies and procedures in compliance with DOE requirements on the management and disposal of scheduled waste. Scheduled waste is disposed of periodically by regulator-approved companies for proper disposal. ENRA Kimia monitors odour produced from handling thiochemicals (sulphur-based chemicals) to ensure that the odour levels do not exceed 30 parts per million (“ppm”) at sampling point. ENRA Kimia’s odour levels since 2015 have never exceeded 30 ppm at sampling point. The design of the new warehouse in Kemaman also takes into account this consideration. For Q Homes, the construction waste by the main contractor as stipulated in the letter of award for each affordable homes project is monitored closely. For Myanmar operations, the slop water, the spent grease and oil and other daily waste needs to be properly managed to minimise the impact on the environment. The maritime regulations and ship management manuals & SOPPs must be strictly adhered to in order to avoid any mishaps like cargo spillages, fuel oil and marine gas oil spillages, fire and pollutions.
Reduce, Reuse & Recycle (3Rs)	<ul style="list-style-type: none"> Initiatives implemented in all our offices to have designated bins for waste separation and disposal of batteries. ENRA Kimia returns used printer toner cartridges to its vendor for reuse/recycling. Aim to implement these and further initiatives to recycle, reuse and reduce to all member companies. Following the BCP that led to WFH & WIO arrangement, the immediate and lasting positive impact is the reduction in printing requirement where excess printers are returned to lessors, less papers, stationery and toner cartridges were purchased. Our digitalisation initiatives helped to bring down the paper consumption.

ii. Climate change contribution

Climate change is a long-term change in the average weather patterns that have come to define earth’s local, regional and global climates. ENRA understands that it can help in preserving our planet, which we borrow from the future generations.

Ratu ENRA's effect

When we acquired Ratu ENRA and redesignated it as a floating storage for our operations in Yetagun, we looked seriously into both economic and environmental impacts that led to a conscious decision to use Marine Gas Oil (“MGO”) as part of the operations.

The vessel we used prior to the acquisition of Ratu ENRA would require an additional vessel on standby to act as a static tow to ensure it maintained a static position which is necessary to avoid colliding with our single point mooring system buoy. This two-vessels operation consumed between 12-14 metric tonnes (“MT”) of MGO per day. Ratu ENRA is equipped with a propulsion control system which keeps her in position without the assistance of another vessel. This single vessel operation would consume only 6-7 MT of MGO daily thus providing an almost 50% reduction of daily MGO consumption.

According to an Life Cycle Assessment study by the IMO, for every one gram of MGO burned, 3,206 grams of CO₂ would be released to the air. Thus with every MT of MGO burned an equivalent to 3,206 MT of CO₂ would be released into the air.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

3. Material Environment Sustainability Matters (Cont'd)

ii. Climate change contribution (Cont'd)

Hence, by bringing Ratu ENRA into operations, we have not only improved the profitability of our Myanmar operations but also able to reduce the release of CO₂ emissions to about 22,442 MT per day, based 7 MT MGO burned.

Ratu ENRA replaced MT Bratasena operations at Yetagun gasfield on 23 May 2020. The total MGO consumed from that day for 312 days to the end of the financial year, 31 March 2021, was 2,180 MT. This gives an average daily consumption of 6.25 MT. Assuming Ratu ENRA reduces the CO₂ emissions that of MT Bratasena by 50%, the estimated total CO₂ emission avoided would be approximately 2,180 MT.



WFH-WIO arrangement effect

Under the new norm, the significant reduction in travel needs by ENRA staff have reduced the overall carbon footprint derived from work requirement, as more proportion of our weekly hours are spent WFH.

With the management's deliberate policy to make this WFH & WIO rotation arrangement a permanent thing regardless of COVID-19, ENRA has contributed positively towards addressing climate change.

- a. There is no data compilation for this in FY2020/21 but for every 1km not travelled by using car powered by fossil fuels, we avoided 112 g of CO₂ emission or 1 kg of CO₂ saved for every 8.9 km not travelled.
- b. From ENRA's perspective, taking an average of 20km work commute per day x 13 days per month x 12 months x 100 staff x 112g saved = 35 MT of CO₂ collectively avoided by ENRA staff towards saving the planet.

SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

3. Material Environment Sustainability Matters (Cont'd)

ii. Climate change contribution (Cont'd)

- c. A typical tree absorbs around 21 kg of CO₂ per year, so by ENRA's continuation of our WFH & WIO arrangement, it has the same effect as having 1,664 trees planted by ENRA staff.

Moving forward, we will find other ways to contribute more towards this area.

iii. Energy-savings as a business and for the business

ENRA via its 51% subsidiary, ENRA IOL Sdn. Bhd. has helped fellow Malaysians to accelerate the energy and cost savings by switching to light emitting diode ("LED") lightings, with optional internet-based smart application.

TABLE 15

EIOL's LED	Helping others		Own use	
	FY2019/20	FY2020/21	FY2019/20	FY2020/21
Energy saved (kWh/ year)	3,075,726	3,597,848	10,445	10,575
Average tariff (RM/kWh)	0.42	0.41	0.52	0.41
Cost savings (RM)	1,247,030	1,455,878	5,431	4,336
CO ₂ Emission Reduction (MT/year)	2,395.29	2,891.00	9.92	10.05

iv. Renewable energy - Harnessing free solar energy for power generation

ICE maintains the 44 solar panels on its warehouse roof on the Kilkenny land, in Dandenong, Victoria, Melbourne.



SUSTAINABILITY REPORT

H. How we Manage our MSMs (Cont'd)

3. Material Environment Sustainability Matters (Cont'd)

iv. Renewable energy - Harnessing free solar energy for power generation (Cont'd)

Satellite photo of ICE warehouse with arrays of rooftop solar panels.

The ICE team regularly cleans them to improve efficiency. **TABLE 16** shows an encouraging result of increased productivity of the panels after the cleaning up exercise. The power generated is currently for own use for the office and warehouse.

TABLE 16

Month	6 seasons in Dandenong	Average sun hours*	FY2019/20 kWh	FY2020/21 kWh
April	Early winter	192	787.90	559.90
May		171	521.80	555.40
June	Deep winter	156	422.60	448.30
July	Pre-spring	167	465.00	455.10
August		186	679.30	688.00
September	True spring	207	950.90	978.50
October		242	1,290.10	1,179.80
November	High summer	255	1,011.20	1,448.90
December		292	788.20	1,594.20
January		298	711.80	1,520.70
February	Late summer	243	572.00	1,234.50
March		236	518.40	744.30
Full financial year			8,719.20	11,407.60
<i>Additional power purchased</i>			9,718.08	10,386.65

*depends on the change in hourly weather. The data was obtained from "climate-data.org".

For FY2019/20 ICE paid AUD4,230 for an additional 9,718 kWh and for FY2020/21 AUD3,471 for additional 10,387 kWh. Without the solar panels, ICE would have had to purchase a total of 18,437 kWh for FY2019/20 and 21,794 kWh for FY2020/21 amounting to AUD8,026.13 for FY2019/20 and AUD7,283 for FY2020/21. Without taking maintenance cost into consideration, the solar panels have helped ICE to generate gross savings of AUD3,796 for FY2019/20 and AUD3,812 for FY2020/21.

More importantly, in terms of CO₂ footprint, this has helped to save 8.28 MT for FY2019/20 and 10.84 MT for 2020/21.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of ENRA is pleased to present the Audit and Risk Management Committee Report for the financial year ended 31 March 2021

COMPOSITION AND MEETING

As at the date of this report, the ARMC has four (4) members, all of whom are Independent Non-Executive Directors (“NEDs”). All of the Independent NEDs satisfy the test of independence under MMLR of Bursa Securities. The composition of the ARMC complies with Paragraph 15.09(1)(a) and (b) of the MMLR and Practice 8.4 under Principle B of the MCCG. Datuk Ali bin Abdul Kadir is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. In this regard, the Company meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR.

The ARMC held six (6) meetings during the financial year ended 31 March 2021. 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 two (2) of these meetings upon the invitation of the ARMC.

The minutes of each ARMC meeting were recorded and tabled for confirmation at subsequent ARMC meetings and thereafter, all minutes of ARMC meetings were presented to the Board for notation. The Chairman of the ARMC reported the ARMC’s recommendations to the Board for its consideration and implementation. He also highlighted the significant matters and resolutions deliberated by the ARMC to the Board at its immediate subsequent meeting.

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	Chairman Senior Independent Non-Executive Director	6 out of 6
Datuk Ali bin Abdul Kadir	Member Independent Non-Executive Chairman	6 out of 6
Datuk Anuar bin Ahmad	Member Independent Non-Executive Director	6 out of 6
Dato’ Wee Yaw Hin	Member Independent Non-Executive Director	6 out of 6

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.

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 before recommending for Board's approval.
- b) Reviewed the audited financial statements of ENRA prior to submission to the Board for approval. The External Auditors was of the opinion that the Company's audited financial statements reflected a true and fair view of the financial position of the Company and its group in accordance with the Malaysian Financial Reporting Standards and the requirements 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 on 17 June 2020 and 22 February 2021 without the presence of the Executive Directors and Management. The External Auditors were given the opportunity to raise any matters of concern arising from their audit work. No major concerns were highlighted and the External Auditors had also confirmed that they had received full cooperation from Management and unrestricted access to the Group's records.
- 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 2021 are disclosed in the Additional Compliance Statement on page 79.
- 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 2022. The Audit Plan was developed using a risk-based audit methodology where entities and processes were selected for audit based on risk assessments carried out periodically by the Internal Auditors.
- 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 IA's audit. The Head of Internal Audit were given the opportunity to raise any matters of concern arising from their IA's work.
- c) Reviewed and deliberated the internal audit reports that highlighted audit issues, major findings, audit recommendations and Management's responses. The ARMC also reviewed the status of implementation of corrective actions taken by Management to ensure appropriate remedial actions were taken on a timely basis to address all areas of risk and internal control issues.

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 summarized and communicated to the Board for consolidation and resolution.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

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 Sustainability Report, pursuant to the MMLR and the MCCG and recommended the same to the Board for approval.
- 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 assess 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, 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 management. During the financial year, 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 activity. 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 routine audits, and two follow-up audits. The area of coverage is aligned with the Group's Risk Management assessment covering Finance, Human Resource, Operations, Procurement, Inventory, General IT, Sales, Marketing, Fraud Assessment and Project Management

The costs incurred for the internal audit function in respect of the financial year ended 31 March 2021 amounted to RM375,135 (2020:RM317,000).

This ARMC report is made in accordance with the resolution of the Board of Directors duly passed on 24 June 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Paragraph 15.26(b) of the MMLR of 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 MCCG issued by the Securities Commission Malaysia requires the Board of Directors to establish a sound risk management framework and internal control system. ENRA's 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 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 ongoing 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 reviewed quarterly by the 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Board reviewed the risk management processes in place within the Group with the assistance of the ERM and the Internal Audit Department.

The ERM meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted. 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 organisation to manage risks and seize opportunities related to the achievement of their objectives. The key feature of this framework is a risk governance structure comprising three lines of defence 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 defence 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 defence. 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 the ERM. The ERM provides direction and has an oversight role in the risk management process. At its scheduled quarterly meetings, the ERM appraises and assesses 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 monitors the progress and status of the risk management activities, as well as raises issues of concern for Management's attention.

The Internal Audit function provides the third line of defence. 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 risk parameter boundary set by the ERM and approved by the Board. The parameters define risks that are deemed to exceed or are close to exceeding the risk tolerance, and those which are not. There is an 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.

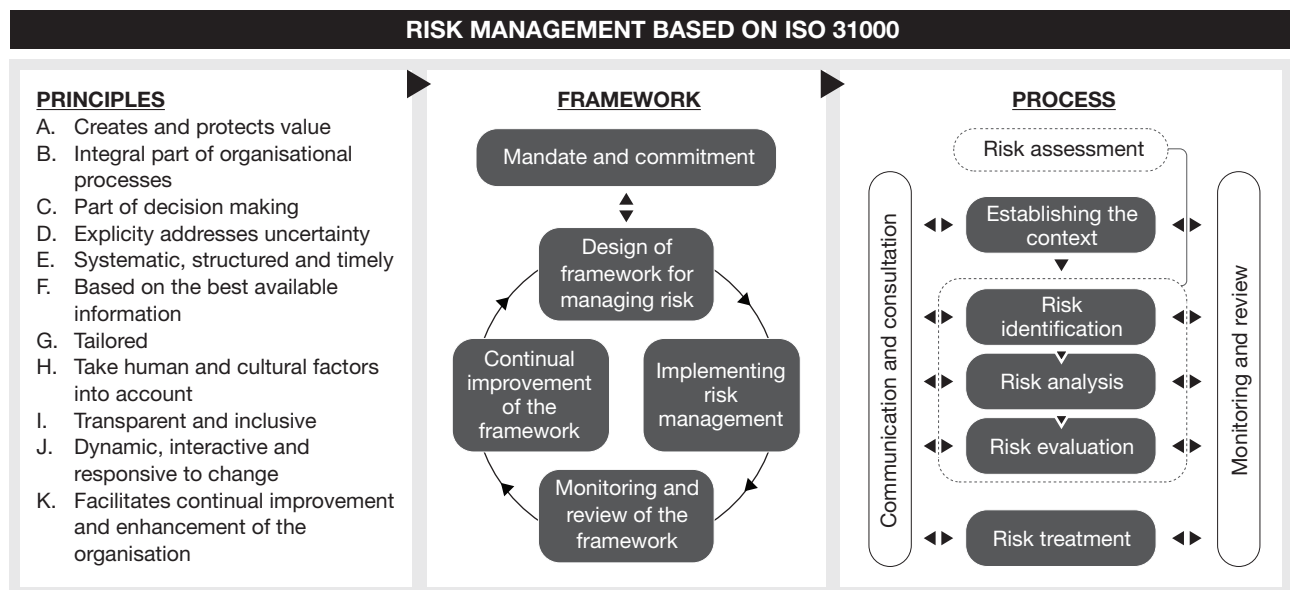
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (CONT'D)

Management of Significant Risks

The management of significant risks identified for the financial year ended 31 March 2021 are as follows:

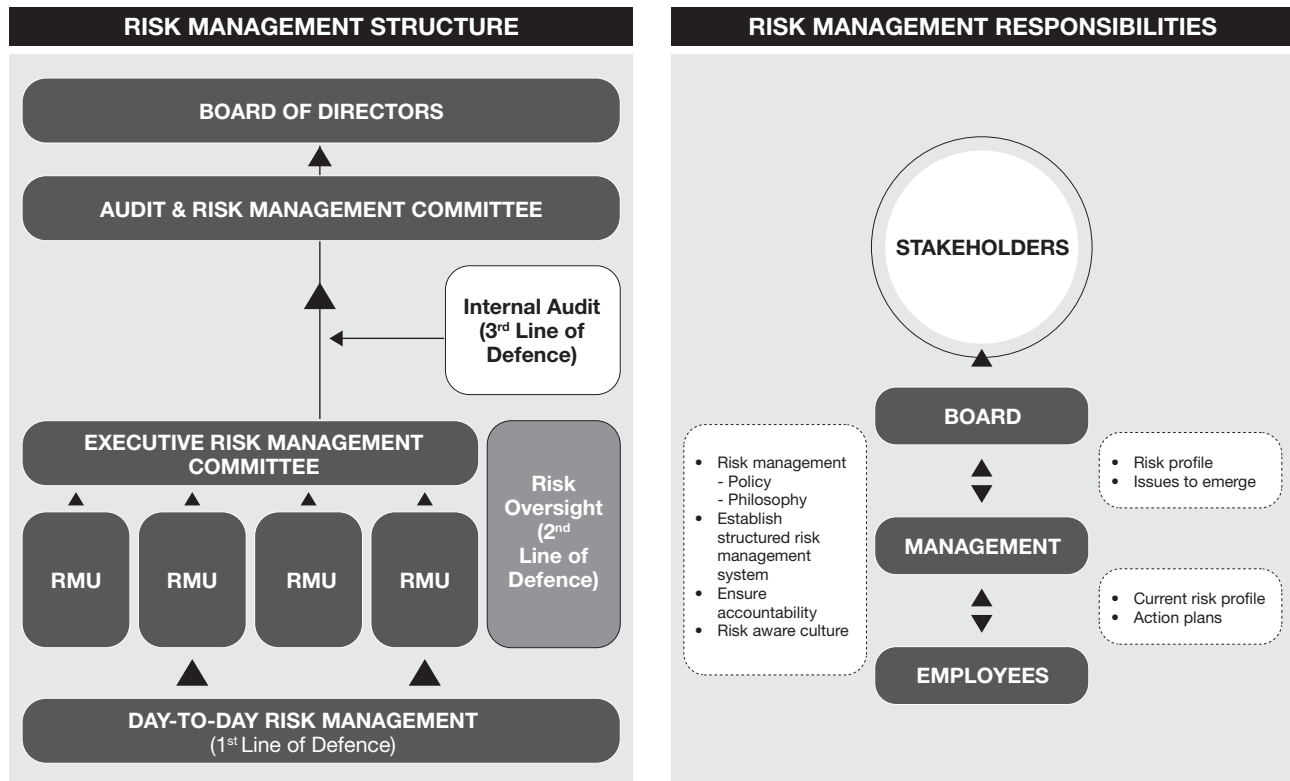
1. Strategic Management Risks in managing principals and customers. The sales team's current plan is to continue to increase knowledge and competency to add value to our services that will ensure dependency from both customer and principal. We focus on education, diversification, and transfer of knowledge to maintain and enhance the relationship in this ever challenging and changing environment.
2. Environmental Risk exist as we operate within both the oil & gas and property development industries/segments which are exposed to compliance risk of laws and regulations including those relating to health, safety, environment and compliance with the various certifications required for those industries. We currently have various preventive maintenance programs, training and development, and processes for risk assessment and monitoring and control based on ISO 9001 quality objectives. We have also completed the building of our own chemical refilling and storage facility in Kemaman, Terengganu with proper safety and environmental control systems in place.
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, sub-contractor's financial management, 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 the EXCO.
4. The Board and Management of ENRA monitor the impact to the Group's business and operations arising from the COVID-19 pandemic as per the EXCO-approved Business Continuity Plan which was implemented on 27 February 2020. In respect to this, the Group engages with customers, suppliers, transporters and forwarders to minimise movement and supply disruptions. The Group ensures that its business and operation will continue amidst the COVID-19 pandemic but undertakes to adhere to various standard operating procedures as set by the government as well as the BCP. To this end, various safety and health measures were implemented at the Group's premises such as implementation of a "work from home" policy, split team arrangements, sanitisation and daily temperature screening. The Group will continue to monitor the ripple effects of the pandemic and to assure the safety of its employee and those in its supply chain.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT STRUCTURE

The Risk Management process is a collective responsibility which works by engaging every level of the organisation as risk owners of their immediate sphere of risks (as shown in the Risk Management Responsibilities diagram below). The Group aims to approach risk management from a top down and bottom up approach (holistically). This is managed through an oversight structure involving the Board, ARMC, Internal Audit, ERM 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’s 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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

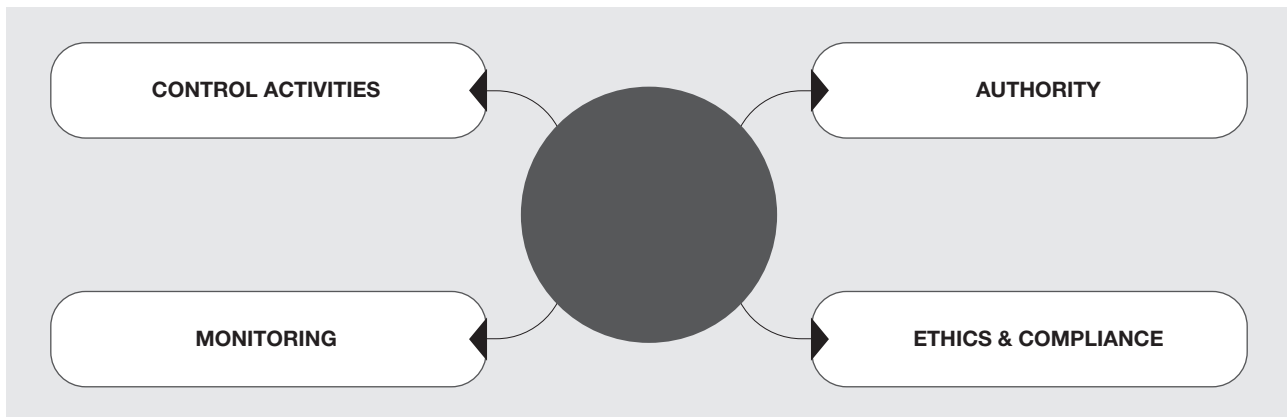
INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Audit team is headed by Mr. Melvinder Singh Harminster Singh, Vice President Group Internal Audit and Compliance, who is a Chartered Member of the Institute of Internal Auditors Malaysia with more than 20 years of experience in internal auditing. Mr. Melvinder and his 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 2021, 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, engineering, construction and fabrication activities. 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.

In line with the approved annual review schedule by the ARMC, the Internal Audit team completed four routine audits, and two follow-up audits. The area of coverage is aligned with the Group's Risk Management assessment covering Finance, Human Resource, Operations, Procurement, Inventory, General IT, Sales, Marketing, Fraud Assessment 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 organisation structures and appropriate authority levels.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ENVIRONMENT AND STRUCTURE (CONT'D)

- b) Strategies, business planning, budgeting and reporting fulfills 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 behaviour that is expected from all employees in following applicable laws, policies, standards and procedures. Every six months, the employees and EXCO of the Group 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 EXCO and further deliberated by the ARMC. There were no irregularities or breaches in this financial year.

VENDOR CODE OF CONDUCT

There is a 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 Labour, 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 the 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 the 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ANTI CORRUPTION POLICY

With the passing of the Malaysian Anti-Corruption Act (Amendment) Bill 2018 by the Malaysian Parliament on 4 April 2018, a new Section 17A was added to this Act which makes the corporate entity liable for the conduct of any person associated with the commercial organisation who corruptly gives, agree to give, promises or offers to any person gratification with the intent to secure business or an advantage for the commercial organisation. In line with the new Section, ENRA has taken steps to enhance the Adequate Measures, by formulating an Anti-Corruption policy which has been approved by the Board, a series of seminars and trainings (both external and internal), a gap analysis on the Standard Operating Policies & Procedures' and reinforcing them, dialogues, awareness through articles and quizzes, corruption risk management in its risk profiles, continuous training of staff on corruption prevention, and continuous monitoring and review by Group Internal Audit.

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 2021, 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 Group'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 duly passed on 24 June 2021.

ADDITIONAL COMPLIANCE INFORMATION

AS AT 24 JUNE 2021

UTILISATION OF PROCEEDS

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 March 2021.

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
Statutory Audit Fees:		
By the Company's auditors	122	53
Non-Audit Fees:		
By the Company's auditors	27	26
By affiliated company of the Company's auditors (tax related)	45	20
	72	46
Total	194	99

The non-audit fees are for recurring permissible services comprises tax compliance fees, transfer pricing documentation preparation, review of Statement of Risk Management and Internal Control and half yearly financial statement reviews.

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

There were no material contracts entered into by the Group 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 ("ESS")

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, ending 11 February 2023. 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 24 June 2021, no option or share grant has been awarded to any person pursuant to the ESS.

ADDITIONAL COMPLIANCE INFORMATION

AS AT 24 JUNE 2021

COMPANY'S FREE WARRANTS

In the Extraordinary General Meeting held on 25 September 2020, the shareholders of the Company has approved 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. Each warrant entitles the registered warrant holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.00 during the 5-year period expiring on 26 December 2025 ("Exercise Period"). Any Warrant not exercised upon expiry of the Exercise Period will thereafter lapse and cease to be valid for any purpose. The warrants are constituted by the Deed Poll dated 8 December 2020 ("Deed Poll").

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.

As at 24 June 2021, no warrant has been exercised by the warrant holders.

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 AGM.

As at 24 June 2021, there is no new shares allotted and issued by the Company under Section 75 and 76 of Companies Act 2016.

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, and
- ii) The maximum fund for the purchase shall not exceed the Company's retained earnings at the time of purchase.

As at 24 June 2021, 1.289 million treasury shares at RM1.199 million is held by the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 Standards ("IFRS") and the requirements of the Act and the MMLR of Bursa Securities.

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 dated 24 June 2021.

FINANCIAL SECTION

ENRA Group Berhad Annual Report 2021

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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 2021.

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

	Group RM'000	Company RM'000
Loss for the financial year	(4,535)	(15,342)
<hr/>		
Attributable to:		
Equity holders of the Company	(6,360)	(15,342)
Non-controlling interests	1,825	-
	(4,535)	(15,342)

DIVIDEND

On 29 April 2020, the Board of Directors has declared an interim single tier dividend of 1.25 sen per share in respect of the financial year ended 31 March 2020 amounting to RM1.69 million which is recognised in the financial year ended 31 March 2021. The dividend was paid on 29 May 2020.

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2021.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

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 2021, the Company held 1,289,400 treasury shares at a total cost of RM1,199,540.

WARRANTS 2020/2025

On 7 January 2021, the Company listed and quoted 44,971,973 Warrants pursuant to the Issuance of Free Warrants on the basis of one (1) Warrant for every three (3) existing shares held in the Company.

The Warrants are constituted by the Deed Poll dated 8 December 2020.

Salient features of the Warrants are as follows:

- (a) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.00 during the 5-year period expiring on 26 December 2025;
- (b) Any Warrant not exercised upon expiry of the Exercise Period will thereafter lapse and cease to be valid for any purpose;
- (c) The Exercise Price and/or the number of the unexercised Warrant shall, from time to time be adjusted, calculated or determined by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of the Company, in accordance with the provisions of the Deed Poll;
- (d) The Warrant Holders shall not be entitled to participate in any rights, allotment, dividends and/or other forms of distributions which may be declared, made or paid, where the entitlement date of which precedes the date of allotment of the new Company Shares. The Warrant Holders are not entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of securities in the Company unless otherwise resolved by the shareholders of the Company or the Warrant Holders (or any of them) become shareholders of the Company by exercising their Warrants; and
- (e) If a resolution is passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:
 - (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the registered Warrant Holder (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant Holders; and
 - (ii) in any other case, every Warrant Holder shall be entitled, upon and subject to the provisions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants to the Company, submitting the exercise form duly completed together with payment of the relevant exercise money, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the exercise rights represented by such Warrants to the extent specified in the relevant exercise form and be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date been the holder of the new Company Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

There was no exercised of Warrant during the financial year ended 31 March 2021.

DIRECTORS' REPORT

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

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 Yaw Hin @ Ong Yaw 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
 Faizul bin Zainol
 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' Yau Kok Seng
 Tam Yet Shyan
 Abdul Ghofur Bin Abdul Fatah
 Mohd Saiful Bahri Bin Abdul Fatah
 Muhammad Saiful Haq Bin Abdul Fatah
 Dato' Idzham Mohd Hashim Bin Zahrain Mohd Hashim
 Ahmad Zaki bin Ahmad Zainuddin
 Dato' Sharifah Sofianny Binti Syed Hussain

In accordance with Clause 18.3 of the Company's Constitution, Tan Sri Dato' Kamaluddin bin Abdullah, Kok Kong Chin and Loh Chen Yook 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, and/or warrants of the Company and of its related corporations during the financial year ended 31 March 2021 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 31.3.2021
	Balance as at 1.4.2020	Bought	Sold	
Shares in the Company				
Direct interests				
Datuk Ali bin Abdul Kadir	4,600,000	300,000	–	4,900,000
Tan Sri Dato' Kamaluddin bin Abdullah	15,357,629	4,700,000	(14,700,000)	5,357,629
Kok Kong Chin	3,000,000	–	–	3,000,000
Datuk Anuar bin Ahmad	1,000,000	–	–	1,000,000
Dato' Wee Yaw Hin @ Ong Yiau Hin	1,000,000	–	–	1,000,000
Loh Chen Yook	3,071,300	2,120,000	–	5,191,300
Indirect interests				
Tan Sri Dato' Kamaluddin bin Abdullah	25,362,000	25,100,000	(15,100,000)	35,362,000
Dato' Mazlin bin Md Junid	15,923,700	–	(2,523,500)	13,400,200
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	2,000,000	–	–	2,000,000

	← Number of warrants 2020/2025 →			Balance as at 31.3.2021
	Balance as at 1.4.2020	Allotted on 29.12.2020	Exercised	
Warrants in the Company				
Direct interests				
Datuk Ali bin Abdul Kadir	–	1,633,333	–	1,633,333
Tan Sri Dato' Kamaluddin bin Abdullah	–	1,785,876	–	1,785,876
Kok Kong Chin	–	1,000,000	–	1,000,000
Datuk Anuar bin Ahmad	–	333,333	–	333,333
Dato' Wee Yaw Hin @ Ong Yiau Hin	–	333,333	–	333,333
Loh Chen Yook	–	1,523,766	–	1,523,766
Indirect interests				
Tan Sri Dato' Kamaluddin bin Abdullah	–	11,787,332	–	11,787,332
Dato' Mazlin bin Md Junid	–	4,787,232	–	4,787,232
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	–	666,666	–	666,666

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.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

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 37 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 37 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 37(c) to the financial statements.

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 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 all known bad debts had been 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, except for the impact arising from the COVID-19 pandemic as disclosed in Note 41(e) to the financial statements.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(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.
 - (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.

(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 41 to the financial statements.

DIRECTORS' REPORT

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 2021 are disclosed in Note 29 to the financial statements.

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

Dato' Mazlin bin Md Junid
Director

Kuala Lumpur
24 June 2021

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Director

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 97 to 186 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 2021 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,

Dato' Mazlin bin Md Junid
Director

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Director

Kuala Lumpur
24 June 2021

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 97 to 186 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)
24 June 2021)

Ami Akhram bin Abdullah

Before me,

Razman bin Mohd Akhir
Commissioner of Oaths
Malaysia
A-W 523

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 2021 of the Group and of the Company, and the statements of profit or loss and other 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 97 to 186.

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 2021 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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.

(1) Impairment assessment of the carrying amount of goodwill

As at 31 March 2021, goodwill on consolidation were RM4.40 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 determined this to be a key audit matter as impairment assessment of the carrying amount of goodwill 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 with consideration of the impact COVID-19 pandemic.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENRA GROUP BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (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 incorporating the impact of the COVID-19 pandemic; and
- (d) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.

(2) Impairment of trade receivables

As at 31 March 2021, gross trade receivables of the Group were RM10.20 million as disclosed in Note 13 to the financial statements.

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 with consideration of the impact COVID-19 pandemic.

Audit response

Our audit procedures included the following:

- (a) Recomputed the probability of default using historical data and forward looking information adjustment, incorporating the impact of the COVID-19 pandemic 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; and
- (c) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

(3) Impairment assessment of inventories

As at 31 March 2021, property held for sales of the Group were RM31.49 million and completed properties of the Group and Company were RM5.03 million and RM4.56 million respectively, as disclosed in Note 12 to the financial statements.

We determined this 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 with consideration of the impact COVID-19 pandemic.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENRA GROUP BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

(3) Impairment assessment of inventories (Cont'd)

Audit response

Our audit procedures included the following:

- (a) assessed the unsold units based on enquiries with management including corroborative enquiries with the key management personnel on the plans to address slow moving inventories, incorporating the impact of the COVID-19 pandemic;
- (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.

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

As at 31 March 2021, costs of investments in subsidiaries of the Company were RM66.20 million as disclosed in Note 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 determined this to be a key audit matter because 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 with consideration of the impact COVID-19 pandemic.

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 incorporating the impact of the COVID-19 pandemic; 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)

(5) Impairment assessment of the carrying amounts of amounts due from subsidiaries

As at 31 March 2021, amounts due from subsidiaries of the Company amounted to RM61.76 million as disclosed in Note 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 with incorporating the impact of the COVID-19 pandemic 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 information adjustment, incorporating the impact of the COVID-19 pandemic 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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) 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.
- e) 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.
- f) 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, actions taken to eliminate threats or safeguard applied.

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

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

Kuala Lumpur
24 June 2021

Lee Wee Hoong
03316/07/2021 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	100,524	87,085	213	416
Right-of-use assets	5	11,538	12,579	41	325
Investment in a joint venture	6	–	–	–	–
Investments in subsidiaries	7	–	–	66,198	79,481
Investment in an associate	8	–	–	–	–
Intangible assets	9	8,112	16,937	–	–
Deferred tax assets	11	247	225	–	–
Trade and other receivables	13	123	–	–	–
Contract assets	14	390	–	–	–
		120,934	116,826	66,452	80,222
Current assets					
Inventories	12	63,853	49,476	4,560	4,560
Trade and other receivables	13	15,134	73,396	62,929	46,491
Contract assets	14	3,259	–	–	–
Derivative assets	15	553	225	–	188
Current tax assets		738	602	378	378
Cash and bank balances and short term funds	16	35,657	53,613	7,875	30,298
		119,194	177,312	75,742	81,915
TOTAL ASSETS		240,128	294,138	142,194	162,137

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	17	144,744	144,744	144,744	144,744
Redeemable convertible preference shares equity	18	2,886	2,886	-	-
Treasury shares	19	(1,199)	(1,199)	(1,199)	(1,199)
Non-distributable reserves (Accumulated losses)/ Retained earnings	20	816	371	-	-
		(32,991)	(24,977)	(13,822)	3,206
		114,256	121,825	129,723	146,751
Non-controlling interests		3,965	2,440	-	-
TOTAL EQUITY		118,221	124,265	129,723	146,751
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	11	704	727	-	-
Trade and other payables	21	13,658	10,788	-	-
Borrowings	22	8,393	33,018	-	-
Lease liabilities	5	1,739	2,722	-	46
Redeemable convertible preference shares	18	6,465	6,006	-	-
		30,959	53,261	-	46
Current liabilities					
Trade and other payables	21	35,891	45,819	4,081	6,058
Derivative liability	15	344	-	344	-
Borrowings	22	53,346	69,124	8,000	9,000
Lease liabilities	5	922	1,074	46	282
Current tax liabilities		445	595	-	-
		90,948	116,612	12,471	15,340
TOTAL LIABILITIES		121,907	169,873	12,471	15,386
TOTAL EQUITY AND LIABILITIES		240,128	294,138	142,194	162,137

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 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Continuing operations					
Revenue	26	112,799	226,646	-	3,535
Cost of sales	27	(77,455)	(182,719)	-	(3,186)
Gross profit		35,344	43,927	-	349
Other income		2,067	4,304	7,363	17,020
Administrative expenses		(36,131)	(34,014)	(22,309)	(11,277)
Other expenses		(209)	(1,859)	(56)	(245)
Lease interest expense		(219)	(2,303)	(10)	(27)
Finance costs	28	(4,250)	(1,676)	(330)	(331)
Share of results of an associate, net of tax		-	(17)	-	-
(Loss)/Profit before tax	29	(3,398)	8,362	(15,342)	5,489
Tax expense	30	(1,137)	(3,881)	-	-
(Loss)/Profit for the financial year		(4,535)	4,481	(15,342)	5,489
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations, net of tax		(202)	343	-	-
Total comprehensive (loss)/income		(4,737)	4,824	(15,342)	5,489

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 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(Loss)/Profit attributable to:					
Equity holders of the Company		(6,360)	2,480	(15,342)	5,489
Non-controlling interests		1,825	2,001	-	-
		(4,535)	4,481	(15,342)	5,489
Total comprehensive (loss)/ income attributable to:					
Equity holders of the Company		(5,915)	2,798	(15,342)	5,489
Non-controlling interests		1,178	2,026	-	-
		(4,737)	4,824	(15,342)	5,489
(Loss)/Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic (loss)/earnings per ordinary share (sen)	32	(4.71)	1.84		
Diluted (loss)/earnings per ordinary share (sen)	32	(4.71)	1.84		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Group	Non-Distributable				Distributable			Total attributable to equity holders of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Redeemable convertible preference shares RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total equity RM'000			
Balance as at 1 April 2020	144,744	2,886	-	371	(1,199)	(24,977)	121,825	2,440	124,265	
Loss for the financial year	-	-	-	-	-	(6,360)	(6,360)	1,825	(4,535)	
Other comprehensive loss, net of tax	-	-	-	445	-	-	445	(647)	(202)	
Total comprehensive loss	-	-	-	445	-	(6,360)	(5,915)	1,178	(4,737)	
Transactions with owners										
Dividends to equity holders of the Company	-	-	-	-	-	(1,686)	(1,686)	-	(1,686)	
Net additional interests in subsidiaries	-	-	-	-	-	32	32	(53)	(21)	
Additional capital contribution from non-controlling interests	-	-	-	-	-	-	-	400	400	
Total transactions with owners	-	-	-	-	-	(1,654)	(1,654)	347	(1,307)	
Balance as at 31 March 2021	144,744	2,886	-	816	(1,199)	(32,991)	114,256	3,965	118,221	

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Group	Non-Distributable				Distributable			Total attributable to equity holders of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Redeemable convertible preference shares RM'000	Capital reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total equity RM'000			
Balance 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 year	-	-	-	-	-	2,480	2,480	2,001	4,481	
Other comprehensive income, net of tax	-	-	(275)	318	-	275	318	25	343	
Total comprehensive income	-	-	(275)	318	-	2,755	2,798	2,026	4,824	
Transactions with owners										
Dividends to equity holders of the Company	-	-	-	-	-	(4,048)	(4,048)	-	(4,048)	
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,560)	(1,560)	
Issue of shares by subsidiaries to a non-controlling interests	-	-	-	-	-	-	-	116	116	
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	(31)	(31)	
Additional capital contribution from non-controlling interests	-	-	-	-	-	-	-	4,088	4,088	
Total transactions with owners	-	-	-	-	-	(4,048)	(4,048)	2,613	(1,435)	
Balance as at 31 March 2020	144,744	2,886	-	371	(1,199)	(24,977)	121,825	2,440	124,265	

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Company	Note	Non-distributable		Distributable	Total Equity RM'000
		Share capital RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated losses) RM'000	
Balance as at 1 April 2019		144,744	(1,199)	1,765	145,310
Profit for the financial year		–	–	5,489	5,489
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income		–	–	5,489	5,489
Transaction with owners					
Dividends	33	–	–	(4,048)	(4,048)
Total transactions with owners		–	–	(4,048)	(4,048)
Balance as at 31 March 2020/ 1 April 2020		144,744	(1,199)	3,206	146,751
Loss for the financial year		–	–	(15,342)	(15,342)
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive loss		–	–	(15,342)	(15,342)
Transaction with owners					
Dividends	33	–	–	(1,686)	(1,686)
Total transactions with owners		–	–	(1,686)	(1,686)
Balance as at 31 March 2021		144,744	(1,199)	(13,822)	(129,723)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(3,398)	8,362	(15,342)	5,489
Adjustments for:					
Impairment loss on goodwill	9	8,536	–	–	–
Impairment loss on trade receivables	13(i)	3	2	–	–
Impairment loss on associate company	13(j)	–	2,241	–	–
Impairment loss on investment in subsidiaries	7	–	–	11,701	–
Fair value gain on short term funds		(8)	(14)	(8)	(14)
Reversal of impairment loss on trade receivables	13(i)	(3,841)	(346)	–	–
Property, plant and equipment written off	4	299	–	–	–
Inventories written down	12(c)	68	–	–	–
Depreciation of property, plant and equipment	4	7,449	855	279	97
Amortisation of right-of-use assets	5	1,675	22,923	284	325
Amortisation of intangible assets	9	289	275	–	–
Lease concession	5	(59)	–	(11)	–
Remeasurement of right-of-use assets		–	–	–	18
Right-of-use assets transfer to subsidiaries		–	–	–	236
Fair value loss on derivatives		16	287	532	324
Gain on disposal of property, plant and equipment		(144)	(62)	(1)	–
Gain on disposal of lease assets		(64)	(2,496)	–	–
Gain on disposal of associate		(130)	–	–	–
Gain on dilution of non-controlling interest in subsidiaries		(53)	(10)	–	–
Unrealised (gain)/loss on foreign exchange		(204)	360	–	234
Fair value changes on contingent consideration		–	(119)	–	–
Share of results of an associate, net of tax		–	17	–	–
Interest expense:					
- Unwinding of discount (RCPS)	18	459	426	–	–
- Unwinding of lease interest	5	219	2,303	10	26
- Borrowings		4,018	1,626	315	281
Dividend income		–	–	–	(10,800)
Interest income		(292)	(1,175)	(3,289)	(2,703)
Operating profit/(loss) before changes in working capital		14,838	35,455	(5,530)	(6,487)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)					
Increase in contract assets	14	(3,649)	-	-	-
(Increase)/Decrease in inventories		(16,902)	36,359	-	3,056
Decrease/(Increase) in trade and other receivables		61,475	(41,005)	4,448	(2,838)
(Decrease)/Increase in trade and other payables		(153)	25,962	(726)	(317)
Cash generated from/(used in) operations		55,609	56,771	(1,808)	(6,586)
Tax paid		(1,583)	(4,178)	-	(109)
Tax refunded		-	442	-	348
Net cash from/(used in) operating activities		54,026	53,035	(1,808)	(6,347)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		292	1,175	3,289	2,703
Uplift/(Placement) of fixed deposits pledged		6,594	(3,710)	-	(2,100)
Proceeds from disposal of property, plant and equipment		153	167	2	-
Proceeds from disposal of associate		130	-	-	-
Acquisition of:					
- right-of-use assets		-	(324)	-	-
- subsidiaries, net of cash		(54)	(98)	-	-
- property, plant and equipment	4(d)	(19,257)	(34,919)	(77)	(22)
Contingent consideration paid	21(d)	(1,896)	(1,094)	-	-
Advances (to)/from subsidiaries		-	-	(20,547)	6,818
Net cash (used in)/from investing activities		(14,038)	(38,803)	(17,333)	7,399

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(4,018)	(1,626)	(315)	(281)
Dividends received		-	-	-	10,800
Dividends paid to:					
- equity holders of the Company	33	(1,686)	(4,048)	(1,686)	(4,048)
- non-controlling interests		-	(1,560)	-	-
Repayment of lease liabilities		(1,607)	(28,594)	(281)	(416)
Capital contribution from non-controlling interests		400	4,088	-	-
Drawdown of other borrowings		16,571	54,012	8,000	1,000
Drawdown of term loan		810	5,000	-	5,000
Repayments of:					
- other borrowings		(45,323)	(20,650)	(4,000)	-
- term loans		(18,290)	-	(5,000)	-
Net cash (used in)/from financing activities		(53,143)	6,622	(3,282)	12,055
Net (decrease)/increase in cash and cash equivalents		(13,155)	20,854	(22,423)	13,107
Cash and cash equivalents at beginning of financial year		43,457	22,836	28,198	15,091
Effects of exchange rate changes on cash and cash equivalents		208	(233)	-	-
Cash and cash equivalents at end of financial year	16(h)	30,510	43,457	5,775	28,198

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Reconciliation of liabilities arising from financial activities:

	Other borrowings (Note 22)		Term loans (Note 24)		Lease liabilities (Note 5)	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
At 1 April 2020	38,828	4,000	63,314	5,000	3,796	328
Cash flows	(28,752)	4,000	(17,480)	(5,000)	(1,607)	(281)
Non-cash flows:						
- Additions	-	-	-	-	935	-
- Termination	-	-	-	-	(457)	-
- Unwinding of interest	-	-	-	-	219	10
- Lease concession	-	-	-	-	(59)	(11)
- Effect of foreign currency	-	-	-	-	(166)	-
- Term loan arrangement for property, plant and equipment	-	-	4,244	-	-	-
At 31 March 2021	10,076	8,000	50,078	-	2,661	46
At 1 April 2019	5,466	3,000	9,778	-	87,325	972
Cash flows	33,362	1,000	5,000	5,000	(28,594)	(416)
Non-cash flows:						
- Additions	-	-	-	-	2,314	-
- Termination	-	-	-	-	(64,230)	-
- Unwinding of interest	-	-	-	-	2,303	26
- Transfer to subsidiaries	-	-	-	-	-	(236)
- Remeasurement	-	-	-	-	-	(18)
- Effect of foreign currency	-	-	313	-	4,678	-
- Term loan arrangement for property, plant and equipment	-	-	48,223	-	-	-
At 31 March 2020	38,828	4,000	63,314	5,000	3,796	328

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

1. CORPORATE INFORMATION

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

On 12 May 2021, the registered office and principal place of business of the Company have been changed from D2-U3-10, Block D2, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur to D3-U6-15, Block D3, Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 March 2021 comprise the Company and its subsidiaries and the interests of the Group in a joint venture and an associate. 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 24 June 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in 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 97 to 186 have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 42.1 to the financial statements.

The Group has also early adopted Amendment to MFRS 16 Covid-19-Related Rent Concessions in the current financial year and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and similar circumstances.

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Balance as at 1.4.2020 RM'000	Additions RM'000	Disposal RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2021 RM'000
Carrying amount					
Furniture, fittings, renovation and office equipment	407	51	(1)	(270)	187
Computer hardware and software	9	26	-	(9)	26
	416	77	(1)	(279)	213

	← At 31.3.2021 →		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture, fittings, renovation and office equipment	1,532	(1,345)	187
Computer hardware and software	797	(771)	26
	2,329	(2,116)	213

Company	Balance as at 1.4.2019 RM'000	Additions RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2020 RM'000
Carrying amount				
Furniture, fittings, renovation and office equipment	452	14	(59)	407
Computer hardware and software	39	8	(38)	9
	491	22	(97)	416

	← At 31.3.2020 →		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture, fittings, renovation and office equipment	1,481	(1,074)	407
Computer hardware and software	771	(762)	9
	2,252	(1,836)	416

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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 except for freehold land 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:

Building	3%
Furniture, fittings, renovation and office equipment	10% - 33.33%
Computer hardware and software	20% - 33.33%
Motor vehicles	20%
Marine equipment	7%
Plant and machinery	10%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress represent asset which is not ready to use. Capital work-in-progress are stated at cost and not depreciated until such time when the asset is available for use.

- (c) As at the end of the reporting period, certain marine equipment of the Group with a carrying amount of RM72,402,000 (2020: certain plant and machinery and capital work in progress of the Group with a carrying amount of RM73,911,000) has been charged as securities for banking facilities granted to the Group as disclosed in Note 24(c) to the financial statements.
- (d) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	23,501	83,142	77	22
Financed by term loans	(4,244)	(48,223)	-	-
Cash payments on purchase of property, plant and equipment	19,257	34,919	77	22

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

(a) Right-of-use assets	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment RM'000	Marine equipment RM'000	Vessel RM'000	Total RM'000
Group							
Cost							
At 1 April 2019	9,127	6,004	1,210	457	-	107,832	124,630
Addition	1,594	1,040	-	4	-	-	2,638
Derecognition upon expiration/ Early termination	-	(1,591)	-	(358)	-	(107,832)	(109,781)
Exchange adjustment	-	(57)	(10)	-	-	-	(67)
At 31 March 2020/1 April 2020	10,721	5,396	1,200	103	-	-	17,420
Addition	-	397	-	85	453	-	935
Derecognition upon expiration/ Early termination	-	(1,065)	(110)	(140)	-	-	(1,315)
Exchange adjustment	-	20	-	-	-	-	20
At 31 March 2021	10,721	4,748	1,090	48	453	-	17,060

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (Cont'd)

(a) Right-of-use assets (Cont'd)	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment RM'000	Marine equipment RM'000	Vessel RM'000	Total RM'000
Group							
Accumulated amortisation							
At 1 April 2019	82	3,804	689	328	-	25,085	29,988
Amortisation charged for the year	187	1,021	237	20	-	21,458	22,923
Derecognition upon expiration/ Early termination	-	(1,250)	-	(254)	-	(46,543)	(48,047)
Exchange adjustment	-	(20)	(3)	-	-	-	(23)
At 31 March 2020/1 April 2020	269	3,555	923	94	-	-	4,841
Amortisation charged for the year	187	1,100	213	24	151	-	1,675
Derecognition upon expiration/ Early termination	-	(751)	(101)	(70)	-	-	(922)
Exchange adjustment	-	(68)	(4)	-	-	-	(72)
At 31 March 2021	456	3,836	1,031	48	151	-	5,522
Net carrying amount							
At 31 March 2020	10,452	1,841	277	9	-	-	12,579
At 31 March 2021	10,265	912	59	-	302	-	11,538

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (Cont'd)

(a) Right-of-use assets (Cont'd)

Company	Building RM'000	Motor vehicle RM'000	Office equipment RM'000	Total RM'000
Cost				
At 1 April 2019	1,822	184	334	2,340
Remeasurement	(18)	–	–	(18)
Derecognition upon expiration/ early termination	(640)	–	–	(640)
At 31 March 2020/31 March 2021	1,164	184	334	1,682
Accumulated amortisation				
At 1 April 2019	1,081	114	237	1,432
Amortisation charged for the year	192	36	97	325
Derecognition upon expiration/ early termination	(400)	–	–	(400)
At 31 March 2020/1 April 2020	873	150	334	1,357
Amortisation charged for the year	250	34	–	284
At 31 March 2021	1,123	184	334	1,641
Net carrying amount				
At 31 March 2020	291	34	–	325
At 31 March 2021	41	–	–	41

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (Cont'd)

(a) Right-of-use assets (Cont'd)

- (i) The right-of-use assets comprise leasehold land, buildings, motor vehicles, office equipment, marine equipment 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) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	Up to 69 years
Buildings	2 to 5 years
Motor vehicles	5 years
Office equipment	3 to 5 years
Marine equipment	2 years
Vessel	4 years

(b) Lease liabilities

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Lease liabilities	1,739	2,722	–	46
Current				
Lease liabilities	922	1,074	46	282
Total lease liabilities	2,661	3,796	46	328
Lease liabilities owing to financial institutions	72	326	2	30
Lease liabilities owing to non-financial institutions	2,589	3,470	44	298
Total lease liabilities	2,661	3,796	46	328

- (i) The lease liabilities are 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 liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (Cont'd)

(b) Lease liabilities (Cont'd)

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of financial year	3,796	87,325	328	972
Addition	935	2,314	–	–
Interest charged	219	2,303	10	26
Lease payments	(1,607)	(28,594)	(281)	(416)
Lease concession	(59)	–	(11)	–
Transfer to subsidiaries	–	–	–	(236)
Remeasurement	–	–	–	(18)
Derecognition upon expiration/ Early termination	(457)	(64,230)	–	–
Exchange adjustment	(166)	4,678	–	–
At end of financial year	2,661	3,796	46	328

(iii) The weighted average incremental borrowing rate applied to the lease liabilities is 5.27% (2020: 5.27%).

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	2,379	3,327	46	328
Australian Dollar	282	469	–	–
	2,661	3,796	46	328

(c) The Group and the Company have certain leases of equipment and premises with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group and the Company apply the “short-term lease” and “lease of low-value assets” exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (Cont'd)

(d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amortisation charge of right-of-use assets (included in cost of sales)	151	21,458	-	-
Amortisation charge of right-of-use assets (included in administration expenses)	1,524	1,465	284	325
Interest expense on lease liabilities	219	2,303	10	26
Expense relating to short-term leases (included in cost of sales)	5,722	2,777	-	-
Expense relating to short-term leases (included in administration expenses)	412	117	-	-
Expense relating to leases of low-value assets (included in administration expenses)	24	227	8	154
Variable lease payments arising from COVID-19 related rent concessions (included in administration expenses)	(59)	-	(11)	-
Gain arising from early termination	(64)	(2,496)	-	-
	7,929	25,851	291	505

- (e) During the financial year, the Group and the Company have received numerous forms of rent concessions from lessors as the Group and the Company were unable to operate for significant periods of time, which included rent forgiveness (e.g. reductions in rent contractually due under the terms of lease agreements). The impact is disclosed in Note 5(d) to the financial statements.
- (f) The Group and the Company lease several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's and the Company's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

As at 31 March 2021, there is no undiscounted potential future rental payment that is not included in the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group as a lessor

The Group has entered into lease agreements on certain asset for terms of four (4) years and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

Future minimum rentals receivable under agreement at the reporting date are as follows:

	Group	
	2021 RM'000	2020 RM'000
Less than one (1) year	33,928	35,098
One (1) to two (2) years	2,417	35,098
Two (2) to three (3) years	-	2,500
	36,345	72,696

6. INVESTMENT IN A JOINT VENTURE

Details of the joint venture is as follow:

Name of company	Country of incorporate/ Principal place of business	Effective interest in equity		Principal activities
		2021	2020	
		%	%	
BRP Homes Sdn. Bhd. (f.k.a. ENRA Sdn. Bhd. and ENRA EMRAIL Sdn. Bhd.)	Malaysia	-	51	Intended business has yet to commence

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.

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

On 15 September 2020, ENRA EMRAIL changed its name to ENRA Sdn. Bhd. ("ESB"). On 8 October 2020, ESB was effectively transferred from EEC to Q Homes, 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.

The acquisition of ESB does not materially affect the revenue and profit after tax of the Group for the financial year ended 31 March 2021 as ESB is dormant.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

6. INVESTMENT IN A JOINT VENTURE (CONT'D)

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.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted equity shares, at cost	10,146	15,147
Less: Impairment losses	-	-
	10,146	15,147
Equity contributions to subsidiaries	67,753	64,334
Less: Impairment losses	(11,701)	-
	66,198	79,481

- (a) 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 STATEMENTS

31 MARCH 2021

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(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) Changes in investment in subsidiaries during the financial year

(i) **Internal restructuring of ENRA ICON Sdn. Bhd.**

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 ENRA Oil & Gas Services Sdn. Bhd. ("EOGS") to ENRA Land for a total cash consideration of RM100,000. EICON subsequently changed its name to Hamptons Homes Sdn. Bhd. ("HHSB") on 23 October 2020.

(ii) **Termination of Shareholders' Agreements in relation to investment in ENRA NauticAWT Sdn. Bhd. and subsequent internal restructuring**

On 21 October 2020, 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.

On 2 November 2020, EOGS has made a transfer of its 100% shares in ENSB to ENRA Kimia for a total cash consideration of RM105,033. ENSB subsequently changed its name to ENRA Downstream Services Sdn. Bhd. on 8 December 2020.

(iii) **Internal restructuring of ENRA Energy Solutions Sdn. Bhd.**

On 7 January 2021, the Company has made an internal restructuring involving a transfer of 100% shares ENRA Energy Solutions to ENRA Energy for a total consideration of RM5,001,000 in form of equity contribution to ENRA Energy Solutions.

(d) Changes in investment in subsidiaries in the previous financial year

(i) **Subscription of shares in ENRA ICON Sdn. Bhd.**

In the previous financial year, EOGS, a wholly owned indirect subsidiary of the Company has entered into a Deed of Termination with ICON Oilfield Solutions Sdn. Bhd. ("ICON") to mutually rescind and terminate a Shareholders Agreement on EICON. As part of the termination arrangement, EOGS has made full payment of RM20,600 in cash for the purchase of 30,000 ordinary shares, equivalent to 30% equity interest in EICON which was previously owned by ICON, resulting in EICON became a wholly owned direct subsidiary to EOGS.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Changes in investment in subsidiaries in the previous financial year (Cont'd)

(ii) **Acquisition of Q Homes Sdn. Bhd.**

In the previous financial year, ENRA Land, a wholly-owned direct subsidiary of the Company entered into a Shareholders' Agreement with IBGH Capital Sdn. Bhd. ("IBGHC") to collaborate in the business of property development in Malaysia via Q Homes. Q Homes was incorporated in Malaysia on 28 February 2019 as a private limited liabilities company. The principal activities of Q Homes and its subsidiaries ("Q Homes Group") included construction of residential properties and real estate activities. Q Homes owns a 100% equity stake in Merpati TPG Sdn. Bhd.

ENRA Land subscribed for a 51% equity stake in Q Homes for a total cash consideration of RM127,500.

The fair value and the carrying amounts of the identifiable assets and liabilities of Q Homes as at the date of acquisition were as follows:

	Group 2020 RM'000
Assets/(Liabilities) acquired:	
Property, plant and equipment	6
Property development cost	231
Trade and other receivables	124
Cash and bank balances	50
Trade and other payables	(174)
<hr/>	
Total identifiable net assets	237
Goodwill on consolidation	6
Non-controlling interests	(116)
<hr/>	
Purchase consideration satisfied by cash	127
Cash and cash equivalents acquired	(50)
<hr/>	
Cash outflow on acquisition of subsidiaries	77
<hr/>	

The acquisition of Q Homes did not materially affect the revenue and profit after tax of the Group for the financial year ended 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) The details of the subsidiaries are as follows:

Name of company	Country of incorporate/ Principal place of business	Effective interest in equity		Principal activities
		2021 %	2020 %	
ENRA Labuan Sdn. Bhd.	Malaysia	100	100	Property development
ENRA Land Sdn. Bhd.	Malaysia	100	100	Investment holding
ENRA Energy Solutions Sdn. Bhd.	Malaysia	–	100	Provision of upstream and midstream infrastructure technology solution to the oil and gas industry
ENRA Energy Sdn. Bhd.	Malaysia	100	100	Investment holding
ENRA Engineering & Construction Sdn. Bhd.	Malaysia	100	100	Investment holding
Subsidiaries of ENRA Energy Sdn. Bhd.				
ENRA Kimia Sdn. Bhd.	Malaysia	100	100	Trading on gas and chemical related services
ENRA Oil & Gas Services Sdn. Bhd.	Malaysia	100	100	Provision of project management of engineering, procurement, construction and commissioning and decommissioning for multi-discipline in oil & gas industries
ENRA Energy Solutions Sdn. Bhd.	Malaysia	100	–	Provision of upstream and midstream infrastructure technology solution to the oil and gas industry

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) The details of the subsidiaries are as follows (Cont'd):

Name of company	Country of incorporate/ Principal place of business	Effective interest in equity		Principal activities
		2021 %	2020 %	
Subsidiaries of ENRA Oil & Gas Services Sdn. Bhd.				
ENRA SPM Sdn. Bhd.	Malaysia	60	60	Leasing and provision of related services
ENRA Downstream Services Sdn. Bhd. (f.k.a. ENRA NauticAWT Sdn. Bhd.)	Malaysia	–	51	Provision of project management and technical services for well services and abandonment
Hampton Homes Sdn. Bhd. (f.k.a. ENRA ICON Sdn. Bhd.)	Malaysia	–	100	During the financial year, the principal activities was changed from provision of engineering and oil and gas related industry to property development and trading
Subsidiaries of ENRA Land Sdn. Bhd.				
ENRA Property (UK) Limited *	United Kingdom	100	100	Investment holding
Q Homes Sdn. Bhd.	Malaysia	51	51	Property development and trading
Hampton Homes Sdn. Bhd. (f.k.a. ENRA ICON Sdn. Bhd.)	Malaysia	100	–	Property development and trading

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) The details of the subsidiaries are as follows (Cont'd):

Name of company	Country of incorporate/ Principal place of business	Effective interest in equity		Principal activities
		2021 %	2020 %	
Subsidiaries of Q Homes Sdn. Bhd.				
Prominent Archway Sdn. Bhd.	Malaysia	51	51	Intended business has yet to commence
Merpati TPG Sdn. Bhd.	Malaysia	51	51	Property development
Makmur Homes Sdn. Bhd.	Malaysia	51	51	Property development
DV Homes Sdn. Bhd.	Malaysia	51	51	Property development
BRP Homes Sdn. Bhd. (f.k.a. ENRA Sdn. Bhd. and ENRA EMRAIL Sdn. Bhd.)	Malaysia	51	–	Property development
Subsidiaries of ENRA Property (UK) Limited				
Fitzrovia Developments Limited *	United Kingdom	75	75	Property development
Abode Senior Living Ltd. *	United Kingdom	51	51	Property development
Subsidiary of ENRA SPM Sdn. Bhd.				
ENRA SPM Labuan Limited	Malaysia	60	60	Leasing services
Subsidiary of ENRA Engineering and Construction Sdn. Bhd.				
ENRA Engineering & Fabrication Sdn. Bhd.	Malaysia	100	100	Business of engineering, procurement and construction of civil works, steel structure, mechanical, piping and electrical and instrumental installation

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) The details of the subsidiaries are as follows (Cont'd):

Name of company	Country of incorporate/ Principal place of business	Effective interest in equity		Principal activities
		2021 %	2020 %	
Subsidiaries of Abode Senior Living Ltd.				
Abode Caldecott Square Development Ltd. *	United Kingdom	51	51	Property development
Caldecott Square Rugby Ltd. *	United Kingdom	51	51	Property development
Subsidiary of ENRA Engineering & Fabrication Sdn. Bhd.				
ENRA IOL Sdn. Bhd.	Malaysia	51	51	Business of supplying and installing energy saving lighting products
Subsidiaries of ENRA Kimia Sdn. Bhd.				
ENRA Kimia (Australia) Pty. Ltd. @	Australia	100	100	Investment holding
ENRA Power Systems Sdn. Bhd.	Malaysia	100	100	Intended business has yet to commence
ENRA Downstream Services Sdn. Bhd. (f.k.a. ENRA NauticAWT Sdn. Bhd.)	Malaysia	100	–	Intended business has yet to commence
Subsidiary of ENRA Kimia (Australia) Pty. Ltd.				
International Chemicals Engineering Pty. Ltd. *	Australia	100	100	Supplier of liquid odorant, dosing systems and servicing to gas delivery and storage systems

* Subsidiary not audited by BDO Member firms

@ Subsidiary is consolidated based on management account, provided for the financial year ended 31 March 2021

NOTES TO THE FINANCIAL STATEMENTS

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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	ENRA SPM Sdn. Bhd. Group RM'000	Fitzrovia Developments Limited RM'000	ENRA IOL Sdn. Bhd. RM'000	Abode Senior Living Ltd. Group RM'000	Q Homes Sdn. Bhd. Group RM'000
2021					
NCI percentage of ownership interest and voting interest	40%	25%	49%	49%	49%
Carrying amount of NCI	6,833 *	(3,441)	660	(121)	34
Profit/(Loss) allocated to NCI	1,986	(26)	44	(137)	(42)
Total comprehensive income/(loss)	1,376	(45)	44	(155)	(42)
Dividends paid to NCI	-	-	-	-	-
2020					
NCI percentage of ownership interest and voting interest	40%	25%	49%	49%	49%
Carrying amount of NCI	5,053 #	(3,396)	616	34	76
Profit/(Loss) allocated to NCI	2,311	(367)	40	54	(41)
Total comprehensive income/(loss)	2,311	(348)	40	57	(41)
Dividends paid to NCI	1,560	-	-	-	-

* During the financial year, the NCI has granted additional capital contribution to ENRA SPM in the form of equity loan amounting to RM400,000.

In the previous financial year, the NCI has granted additional capital contribution to ENRA SPM in the form of equity loan amounting to RM4,088,000.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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:

	ENRA SPM Sdn. Bhd. Group RM'000	Fitzrovia Developments Limited RM'000	ENRA IOL Sdn. Bhd. RM'000	Abode Senior Living Ltd. Group RM'000	Q Homes Sdn. Bhd. Group RM'000
2021					
Assets and liabilities					
Non-current assets	80,506	-	-	-	17
Current assets	15,023	672	3,985	33,622	20,859
Non-current liabilities	-	-	-	-	(13,489)
Current liabilities	(75,783)	(2,871)	(2,638)	(34,233)	(7,319)
Net assets	19,746	(2,199)	1,347	(611)	68
Results					
Revenue	49,892	-	377	-	1,674
Profit/(Loss) for the financial year	4,965	(102)	90	(281)	(86)
Total comprehensive income/(loss)	3,440	(180)	90	(317)	(86)
Cash flows from/(used in) operating activities	36,213	(1,506)	1,923	(1,092)	(2,812)
Cash flows from/(used in) investing activities	6,322	-	(1,996)	-	(6)
Cash flows (used in)/from financing activities	(44,847)	349	(68)	1,320	3,204
Net (decrease)/increase in cash and cash equivalents	(2,312)	(1,157)	(141)	228	386

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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):

	ENRA SPM Sdn. Bhd. Group RM'000	Fitzrovia Developments Limited RM'000	ENRA IOL Sdn. Bhd. RM'000	Abode Senior Living Ltd. Group RM'000	Q Homes Sdn. Bhd. Group RM'000
2020					
Assets and liabilities					
Non-current assets	74,217	–	299	–	16
Current assets	14,136	3,025	2,145	28,003	13,244
Non-current liabilities	(28,005)	–	–	–	–
Current liabilities	(47,664)	(2,522)	(1,188)	(28,297)	(13,206)
Net assets	12,684	503	1,256	(294)	54
Results					
Revenue	50,057	48,427	1,768	–	–
Profit/(Loss) for the financial year	5,778	(1,468)	82	111	83
Total comprehensive income/(loss)	5,778	(1,391)	82	115	83
Cash flows from/(used in) operating activities	33,810	46,578	(1,820)	(1,274)	(7,329)
Cash flows (used in)/from investing activities	(10,101)	–	872	–	(20)
Cash flows (used in)/from financing activities	(24,787)	(45,354)	1,176	1,334	3,862
Net (decrease)/increase in cash and cash equivalents	(1,078)	1,224	228	60	(3,487)

(g) During the financial year, the Company recognised an impairment loss on investment in subsidiaries of RM11,701,000 (2020: RM Nil) due to decline in operations of certain subsidiaries as a result of the COVID-19 pandemic.

Adverse adjustments were made to the forecasted operating cash flows included in the value-in-use calculations. The recoverable amounts were determined using pre-tax discount rates of 10.0% (2020: 12.0%).

NOTES TO THE FINANCIAL STATEMENTS

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8. INVESTMENT IN AN ASSOCIATE

	2021 RM'000	Group 2020 RM'000
Unquoted shares at cost	-	30
Share of post-acquisition reserves	-	(30)
	-	-

The summarised financial information of the associate is as follows:

	2021 RM'000	Group 2020 RM'000
Assets and liabilities		
Total assets	-	574
Total liabilities	-	(2,899)
Results		
Revenue	-	2,334
Loss for the financial year	-	(2,386)

Details of the associate is as follow:

Name of company	Country of incorporate/ Principal place of business	Effective interest in equity		Principal activities
		2021 %	2020 %	
Perunding ENRA Sdn. Bhd.	Malaysia	-	30	Project management and engineering, procurement and construction contracts

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.

On 18 December 2020, EEC 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.

NOTES TO THE FINANCIAL STATEMENTS

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9. INTANGIBLE ASSETS

Group	Balance as at 1.4.2020 RM'000	Impairment loss for the financial year RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.3.2021 RM'000
2021				
Carrying amount				
Goodwill (Note 10)	12,940	(8,536)	-	4,404
Customer relationships	2,415	-	(289)	2,126
Trademark and trade names	1,582	-	-	1,582
	16,937	(8,536)	(289)	8,112

	← At 31.3.2021 →			Carrying amount RM'000
	Cost RM'000	Accumulated impairment RM'000	Accumulated amortisation RM'000	
Goodwill	12,940	(8,536)	-	4,404
Customer relationships	2,883	-	(757)	2,126
Trademark and trade names	1,582	-	-	1,582
	17,405	(8,536)	(757)	8,112

Group	Balance as at 1.4.2019 RM'000	Acquisition of subsidiaries RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.3.2020 RM'000
2020				
Carrying amount				
Goodwill (Note 10)	12,934	6	-	12,940
Customer relationships	2,690	-	(275)	2,415
Trademark and trade names	1,582	-	-	1,582
	17,206	6	(275)	16,937

	← At 31.3.2020 →			Carrying amount RM'000
	Cost RM'000	Accumulated amortisation RM'000		
Goodwill	12,940	-		12,940
Customer relationships	2,883	(468)		2,415
Trademark and trade names	1,582	-		1,582
	17,405	(468)		16,937

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

9. INTANGIBLE ASSETS (CONT'D)

Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill and trademark and trade names 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.

10. GOODWILL ON CONSOLIDATION

	Group	
	2021 RM'000	2020 RM'000
At beginning of the financial year	12,940	12,934
Acquisition of subsidiaries	–	6
Impairment during the year	(8,536)	–
At end of the financial year (Note 9)	4,404	12,940

- (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.

- (b) Impairment of goodwill

Goodwill has been allocated to the identified CGU according to relevant operating segments based on the geographical location of customers as follows:

	Group	
	2021 RM'000	2020 RM'000
Malaysia	400	8,912
United Kingdom	–	24
Australia	4,004	4,004
	4,404	12,940

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

10. GOODWILL ON CONSOLIDATION (CONT'D)

(b) Impairment of goodwill (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 with a terminal value based on the following key assumptions:

	2021	2020
Growth rates	5%	5%
Pre-tax discount rate	10%	12%

Impairment of goodwill amounted to RM8,536,000 (2020: RM Nil) was recognised during the financial year due to adverse adjustments made to the forecast operating cash flows included in the value-in-use calculation of Malaysia's subsidiaries due to COVID-19 pandemic.

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 2021 as their recoverable amounts were in excess of their carrying amounts.

Sensitivity to changes in assumptions

The management is not aware of any reasonably possible change in the key assumptions on which management has based its determination of the CGU's recoverable that could cause further impairment loss on goodwill.

11. DEFERRED TAXATION

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of the financial year	(502)	(207)	-	-
Recognised in profit or loss (Note 30)	56	(299)	-	-
Exchange adjustment	(11)	4	-	-
At end of the financial year	(457)	(502)	-	-
Presented by:				
Deferred tax assets, net	247	225	-	-
Deferred tax liabilities, net	(704)	(727)	-	-
	(457)	(502)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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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

	Provision RM'000	Total RM'000
At 1 April 2019	76	76
Recognised in profit or loss	145	145
Exchange adjustment	4	4
<hr/>		
At 31 March 2020/1 April 2020	225	225
Recognised in profit or loss	(18)	(18)
Exchange adjustment	40	40
<hr/>		
At 31 March 2021	247	247

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 2019	(285)	(186)	188	(283)
Recognised in profit or loss	32	(400)	(76)	(444)
<hr/>				
At 31 March 2020/1 April 2020	(253)	(586)	112	(727)
Recognised in profit or loss	(313)	407	(20)	74
Exchange adjustment	(32)	(19)	-	(51)
<hr/>				
At 31 March 2021	(598)	(198)	92	(704)

NOTES TO THE FINANCIAL STATEMENTS

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11. DEFERRED TAXATION (CONT'D)

- (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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses				
- Expires by 31 March 2026	6,083	8,561	3,081	3,081
- Expires by 31 March 2027	5,364	3,167	3,041	3,041
- Expires by 31 March 2028	2,143	–	1,533	–
Unabsorbed capital allowances	484	525	398	325
Other deductible temporary differences	8,223	574	1,110	875
	22,297	12,827	9,163	7,322

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.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

12. INVENTORIES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At cost					
Property held for sale		31,491	26,985	–	–
Completed properties		4,560	4,980	4,560	4,560
Work in progress		12	27	–	–
Finished goods		5,708	5,369	–	–
Properties development cost	(a)	21,612	12,115	–	–
At net realisable value					
Completed properties		470	–	–	–
		63,853	49,476	4,560	4,560

NOTES TO THE FINANCIAL STATEMENTS

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12. INVENTORIES (CONT'D)

- (a) Property development costs

Group	Balance as at 1.4.2020 RM'000	Cost incurred during the year RM'000	Recognised during the year RM'000	Balance as at 31.3.2021 RM'000
Freehold land	10,025	8,632	–	18,657
Development costs	2,090	2,262	(1,397)	2,955
	12,115	10,894	(1,397)	21,612

Group	Balance as at 1.4.2019 RM'000	Cost incurred during the year RM'000	Balance as at 31.3.2020 RM'000
Freehold land	–	10,025	10,025
Development costs	–	2,090	2,090
	–	12,115	12,115

- (b) 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.

Cost of completed properties held for sale consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing properties until completion.

- (c) A write down of inventories of RM68,000 (2020: RM Nil) of the Group was made during the financial year due to decline in net realisable values of certain completed properties.
- (d) Inventories of the Group amounting to RM42,000,000 (2020: RM135,305,000) have been expensed to the statements of profit or loss and other comprehensive income during the financial year.
- (e) Included in property held for sale are borrowing costs capitalised during the financial year of RM940,000 (2020: RM1,057,000) at 10% (2020: 10.20%) per annum.
- (f) As at the end of the reporting period, certain completed properties of the Group and the Company with a carrying amount of RM4,560,000 (2020: RM Nil) has been charged as securities for banking facilities granted to the Group and the Company as disclosed in Note 25(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Trade receivables	123	-	-	-
Current				
Trade receivables				
Trade receivables	10,073	57,422	-	-
Less: Impairment losses	(3)	(16,858)	-	-
	10,070	40,564	-	-
Other receivables and deposits				
Amounts due from subsidiaries	-	-	61,757	40,871
Amount due from an associate	-	2,395	-	-
Other receivables	2,330	29,862	743	5,323
Deposits	404	2,248	147	146
	2,734	34,505	62,647	46,340
Less: Impairment losses	-	(2,241)	-	-
	2,734	32,264	62,647	46,340
Total current receivables, net of prepayments	12,804	72,828	62,647	46,340
Prepayments	2,330	568	282	151
Total current trade and other receivables	15,134	73,396	62,929	46,491
Total trade and other receivables	15,257	73,396	62,929	46,491

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) The credits term of the non-current trade receivables of the Group are in accordance with the repayment schedules as contained in the agreements.
- (c) 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 (2020: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (d) The amounts due from subsidiaries represent advances and payments on behalf, which bear interest at 6% - 10% (2020: 6% - 12%) per annum and payable within next twelve months in cash and cash equivalents.

In the previous financial year, 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.

- (e) The currency exposure profile of receivables (exclude prepayments) are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	5,204	59,992	42,827	27,263
US Dollar	7,101	11,417	10,302	10,302
British Pound	12	33	9,518	8,775
Australian Dollar	610	1,386	-	-
	12,927	72,828	62,647	46,340

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) (Cont'd)

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information, including the effects of COVID-19 pandemic.

Expected credit loss provision for trade receivables are as follows:

Group	Gross carrying amount RM'000	Total allowance RM'000	Net balance RM'000
2021			
Current (not past due)	8,284	-	8,284
Past due			
- 1 to 30 days	1,765	-	1,765
- 31 to 60 days	80	*	80
- 61 to 90 days	67	(3)	64
- More than 90 days	-	-	-
	10,196	(3)	10,193
Credit impaired			
Individually impaired	-	-	-
	10,196	(3)	10,193
2020			
Current (not past due)	35,941	(4)	35,937
Past due			
- 1 to 30 days	3,429	*	3,429
- 31 to 60 days	210	*	210
- 61 to 90 days	964	*	964
- More than 90 days	24	*	24
	40,568	(4)	40,564
Credit impaired			
Individually impaired	16,854	(16,854)	-
	57,422	(16,858)	40,564

* The amount is immaterial to disclose.

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES (CONT'D)

- (g) 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.
- (h) During the financial year, the Group did not renegotiate the terms of any trade receivables.
- (i) 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
At 1 April 2019	2	17,200	17,202
Charge for the year	2	–	2
Reversal	–	(346)	(346)
At 31 March 2020/1 April 2020	4	16,854	16,858
Charge for the year	3	–	3
Written off during the year	–	(13,017)	(13,017)
Reversal	(4)	(3,837)	(3,841)
At 31 March 2021	3	–	3

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.

- (j) Impairment for other receivables and amount due from subsidiaries 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.

The Group defined significant increase in credit risk based on changes to contractual terms, payment delays and past due information.

NOTES TO THE FINANCIAL STATEMENTS

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13. TRADE AND OTHER RECEIVABLES (CONT'D)

(j) (Cont'd)

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loans or advances to the Company in full;
- The subsidiary's loan or advance is overdue for more than 120 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these intercompany loans and advances using internal information available.

It requires management to exercise its judgement in determining the probabilities of default by other receivables and subsidiaries, appropriate forward-looking information (gross domestic product (GDP)) and significant increase in credit risk, including the effects of COVID-19 pandemic. No expected credit loss is recognised arising from other receivables and amounts owing by subsidiaries as it is negligible.

Movements in the impairment allowance for amount due from an associate are as follows:

Group	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Total RM'000
At 1 April 2019	-	-	-
Charge for the financial year	2,241	-	2,241
At 31 March 2020/1 April 2020	2,241	-	2,241
Written off during the year	(2,241)	-	(2,241)
At 31 March 2021	-	-	-

(k) Information on financial risks of trade and other receivables is disclosed in Note 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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14. CONTRACT ASSETS

	2021 RM'000	Group 2020 RM'000
Non-current		
Contract assets	390	–
Current		
Contract assets	3,259	–
	3,649	–

- (a) 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 typically within 30 days to 90 days. Contract liabilities are recognised as revenue when performance obligations are satisfied.

	2021 RM'000	Group 2020 RM'000
Balance at beginning of financial year	–	–
Revenue recognised	48,643	–
Billings	(44,994)	–
Balance at end of financial year	3,649	–

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group 2022 RM'000
31 March 2021	4,142

- (b) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 13(f) to the financial statements.
- (c) No expected credit loss was recognised arising from the contract asset of the Group as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS

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15. DERIVATIVE ASSETS/(LIABILITY)

	Contract/ Notional amount RM'000	Assets RM'000	Contract/ Notional amount RM'000	Liability RM'000
Group				
2021				
Forward foreign currency contracts	29,076	553	10,338	(344)
2020				
Forward foreign currency contracts	11,934	225	-	-
Company				
2021				
Forward foreign currency contracts	-	-	10,338	(344)
2020				
Forward foreign currency contracts	10,135	188	-	-

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

The Group and Company uses forward foreign currency 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 Group and Company do not apply hedge accounting.

Forward foreign currency contracts represent selling and buying contracts are used to hedge the Company's advance to a subsidiaries denominated in British Pound and to hedge the Group's payable to certain suppliers denominated in US Dollar and Euro for which the commitments existed at the reporting date.

As disclosed in Note 29 to the financial statements, the Group and the Company recognised a net loss of RM16,000 (2020: loss of RM287,000) and RM532,000 (2020: loss of RM324,000) respectively arising from the fair value changes in derivatives. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 39(b)(vi) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

16. CASH AND BANK BALANCES AND SHORT TERM FUNDS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed deposits with licensed banks	15,006	12,326	2,100	2,100
Cash and bank balances	19,540	17,340	4,664	5,044
	34,546	29,666	6,764	7,144
Short term funds				
- Investment in fixed income trust funds in Malaysia	1,111	23,947	1,111	23,154
	35,657	53,613	7,875	30,298

- (a) Cash and bank balances and short term funds are classified as financial assets. Cash and bank balances are measured at amortised cost, while short term funds are measured at fair value through profit or loss respectively.
- (b) 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.
- (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 23, 24 and 25 to the financial statements. The fixed deposits of the Group and of the Company bear average interest of 1.55% (2020: 2.33%) and 3.61% (2020: 3.07%) per annum respectively. The fixed deposits of the Group and of the Company have maturity period between one (1) month to twelve (12) months (2020: one (1) month to twelve (12) months).
- (d) Included in the cash and bank balances of the Group is an amount of RM165,000 (2020: RM Nil) held under the Housing Development Accounts (Control and Licensing) Amendment Act, 2015.
- (e) Information on financial risks of cash and bank balances and short term funds is disclosed in Note 40 to the financial statements
- (f) The currency exposure profile of cash and bank balances and short term funds are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	29,246	50,364	7,875	30,298
US Dollar	3,992	479	-	-
Australian Dollar	1,997	1,313	-	-
British Pound	422	1,435	-	-
Singapore Dollar	-	22	-	-
	35,657	53,613	7,875	30,298

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

16. CASH AND BANK BALANCES AND SHORT TERM FUNDS (CONT'D)

- (g) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these institution were negligible.
- (h) 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances				
Fixed deposits with licensed banks	15,006	12,326	2,100	2,100
Cash and bank balances	19,540	17,340	4,664	5,044
Short term funds	1,111	23,947	1,111	23,154
As reported in statements of financial position	35,657	53,613	7,875	30,298
Less:				
Bank overdrafts (Note 22)	(1,585)	–	–	–
Fixed deposits pledged to licensed banks	(3,562)	(10,156)	(2,100)	(2,100)
As reported in statements of cash flows	30,510	43,457	5,775	28,198

17. SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid ordinary shares with no par value				
At beginning/end of the financial year	136,208	144,744	136,208	144,744

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	2021		Group		2020	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Equity component of redeemable convertible preference share ("RCPS") with no par value						
At beginning/end of the financial year	800	2,886	800	2,886	800	2,886

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

	Group	
	2021 RM'000	2020 RM'000
Face value of RCPS	8,096	8,096
Less: Equity component	(2,886)	(2,886)
Liability component at initial recognition	5,210	5,210
At beginning of the financial year	6,006	5,580
Unwinding of discount	459	426
At end of the financial year	6,465	6,006

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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18. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

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.

19. 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 2021, the Group held 1,289,400 (2020: 1,289,400) of the Company's treasury shares at a total cost of RM1,199,000 (2020: RM1,199,000).

20. NON-DISTRIBUTABLE RESERVES

	Group	
	2021	2020
	RM'000	RM'000
Exchange translation reserve	816	371

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 STATEMENTS

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21. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Other payables				
Other payables	13,658	9,450	-	-
Contingent consideration for business acquisition	-	1,338	-	-
	13,658	10,788	-	-
Current				
Trade payables				
Third parties	12,220	14,770	-	-
Other payables				
Amounts due to subsidiaries	-	-	2,658	3,901
Other payables	4,444	10,458	70	509
Contingent consideration for business acquisition	2,271	1,566	-	-
Accruals	3,550	6,725	1,353	1,643
Deposits and advances received	35	966	-	5
Amount owing to a related party	13,371	11,334	-	-
	23,671	31,049	4,081	6,058
	35,891	45,819	4,081	6,058
Total trade and other payables	49,549	56,607	4,081	6,058

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

21. TRADE AND OTHER PAYABLES (CONT'D)

- (a) Trade and other payables, except for land entitlement payment and contingent consideration for business acquisition, 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 (2020: 30 days to 60 days).
- (c) Non-current other payables amounting RM13,489,000 (2020: RM9,450,000) relates to land entitlement payment for the Group's property development project. The entitlement is payable to the landowner upon completion of the development project.
- (d) Contingent consideration for business acquisition arose from the Group's acquisition of a subsidiary, International Chemicals Engineering Pty. Ltd., in the previous financial year. The total contingent consideration of up to AUD1,800,000 is payable in proportion to ICE meeting the target of achieving EBITDA in excess of the EBITDA Guarantee each year for the next three (3) years from the acquisition date.

In the previous financial year, the Group renegotiated the terms of payment of contingent consideration with the former shareholders of ICE, resulting in the extension of the Guarantee period to four (4) years from the acquisition date. During the year, the Group made the second tranche payment of AUD600,000 (RM1,896,000 equivalent) (2020: first tranche payment of AUD409,000 (RM1,094,000 equivalent)) upon ICE meeting its target for the second year (2020: first year).

- (e) Amount owing to a related party represents advances received from a non-controlling interest, amounting to RM13,371,000 (2020: RM11,334,000) which are unsecured, non-interest bearing and payable on demand in cash and cash equivalents.
- (f) Amounts due to subsidiaries represents payments on behalf, which are unsecured, interest free and payable within next twelve months in cash and cash equivalents.
- (g) The currency exposure profile of payables are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	23,326	24,379	4,081	6,058
US Dollar	8,975	11,141	-	-
British Pound	14,317	11,884	-	-
Euro	-	5,981	-	-
Australian Dollar	2,931	3,222	-	-
	49,549	56,607	4,081	6,058

- (h) Information on financial risks of trade and other payables is disclosed in Note 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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22. BORROWINGS

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current liabilities					
Term loans	24	8,393	33,018	-	-
Current liabilities					
Bank overdrafts	23	1,585	-	-	-
Term loans	24	41,685	30,296	-	5,000
Other borrowings	25	10,076	38,828	8,000	4,000
		53,346	69,124	8,000	9,000
		61,739	102,142	8,000	9,000
Total borrowings					
Bank overdrafts	23	1,585	-	-	-
Term loans	24	50,078	63,314	-	5,000
Other borrowings	25	10,076	38,828	8,000	4,000
		61,739	102,142	8,000	9,000

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The currency exposure profile of borrowings are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Ringgit Malaysia	47,913	89,547	8,000	9,000
British Pound	10,848	10,091	-	-
Australian Dollar	2,978	2,504	-	-
	61,739	102,142	8,000	9,000

23. BANK OVERDRAFTS

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

- (a) first party pledge of fixed deposits equivalent to one (1) to twelve (12) months' interest servicing on the facility (Note 16(c)); and
- (b) guaranteed by way of corporate guarantee by the Group.

Information on financial risks of bank overdrafts is disclosed in Note 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

24. TERM LOANS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Term loan I	10,848	10,091	-	-
Term loan II	-	5,000	-	5,000
Term loan III	6,534	2,504	-	-
Term loan IV	2,978	2,711	-	-
Term loan V	29,718	43,008	-	-
	50,078	63,314	-	5,000

Repayable as follows:

Current liabilities:

- not later than one (1) year **41,685** 30,296 - 5,000

Non-current liabilities:

- later than one (1) year and
not later than five (5) years **8,393** 33,018 - -

50,078 **63,314** **-** **5,000**

- (a) Term loan I is extended from its twelve (12) months term expired on 23 March 2021 and will be repayable by a full amount of GBP1.82 million before financial year ending 31 March 2022.
- (b) Term loan II is a short-term loan attract interest of 15% per annum that was fully settled during the financial year.
- (c) Term loan III, IV and V are related to assets acquisition by subsidiaries and were secured by the following:
- (i) corporate guarantees from the Company as disclosed in Note 36 to the financial statements;
 - (ii) fresh negative pledge over the assets of a subsidiary;
 - (iii) pledge of fixed deposits as disclosed in Note 16(c) to the financial statements;
 - (iv) pledge of insurance rights in respect of the acquired assets and;
 - (v) pledged against the respective acquired assets as disclosed in Note 4(c) to the financial statements.
- (d) Information on financial risks of term loans and the remaining maturities is disclosed in Note 40 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

25. OTHER BORROWINGS

- (a) The other borrowings relates to trade and working capital credit facilities of the Group that are secured by:
- (i) corporate guarantees from the Company as disclosed in Note 36 to the financial statements;
 - (ii) fresh negative pledge over the assets of a subsidiary;
 - (iii) pledge of fixed deposits as disclosed in Note 16(c) to the financial statements; and
 - (iv) pledge of inventory as disclosed in Note 12(f) to the financial statements.
- (b) Information on financial risks of other borrowings and their remaining maturities is disclosed in Note 40 to the financial statements.

26. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers				
Sale of goods	58,961	114,483	-	-
Sale of completed properties	-	51,962	-	3,535
Contract revenue	-	1,059	-	-
Property development revenue	1,674	-	-	-
Services rendered:				
- energy	18,116	23,404	-	-
	78,751	190,908	-	3,535
Revenue from leases				
Leasing	34,048	35,738	-	-
	112,799	226,646	-	3,535

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

26. REVENUE (CONT'D)

Group	Energy services RM'000	Property development RM'000	Total RM'000
31 March 2021			
Major product and service line			
Revenue from contracts with customers:			
Sale of goods	58,961	–	58,961
Property development revenue	–	1,674	1,674
Services rendered:			
- energy	18,116	–	18,116
Revenue from external customers	77,077	1,674	78,751
Revenue from leases:			
Leasing	34,048	–	34,048
	111,125	1,674	112,799

Timing of revenue recognition

Transferred over time	18,116	1,674	19,790
Transferred at a point in time	58,961	–	58,961
Revenue from contracts with customers	77,077	1,674	78,751

31 March 2020

Major product and service line

Revenue from contracts with customers:			
Sale of goods	114,483	–	114,483
Sale of completed properties	–	51,962	51,962
Contract revenue	1,059	–	1,059
Services rendered:			
- energy	23,404	–	23,404
	138,946	51,962	190,908
Revenue from leases:			
Leasing	35,738	–	35,738
Revenue from external customers	174,684	51,962	226,646

Timing of revenue recognition

Transferred over time	24,463	–	24,463
Transferred at a point in time	114,483	51,962	166,445
Revenue from contracts with customers	138,946	51,962	190,908

NOTES TO THE FINANCIAL STATEMENTS

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26. REVENUE (CONT'D)

Company	Energy services RM'000	Property development RM'000	Total RM'000
31 March 2020			
Major product and service line			
Sale of completed properties	–	3,535	3,535
Timing of revenue recognition			
Transferred at a point in time	–	3,535	3,535

(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) Energy services income

Energy services income is recognised at over time. The income is recognised over time as income when the customers receives and consumes the benefits.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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26. REVENUE (CONT'D)

(c) Revenue from property development and construction contracts (Cont'd)

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 cost incurred relative to the total expected cost for 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

Lease income from operating lease is accounted for on a straight line basis over the lease term of an ongoing lease. While, lease income from finance lease is accounted for on a straight line basis over the lease term of an ongoing lease and subsequently transfer the ownership of the asset to the lessee.

(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.

27. COST OF SALES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Completed properties	–	49,391	–	3,186
Property development cost	1,397	–	–	–
Finished goods	40,603	85,914	–	–
Contract cost	–	1,189	–	–
Leasing	18,461	24,777	–	–
Services rendered - energy	16,994	21,448	–	–
	77,455	182,719	–	3,186

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

28. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense:				
- bank overdraft	37	59	-	-
- term loans	3,089	1,212	44	125
- other borrowings	892	355	271	156
Unwinding of discount (RCPS)	459	426	-	-
Others - facility fees	713	681	15	50
	5,190	2,733	330	331
Less: Interest capitalised	(940)	(1,057)	-	-
	4,250	1,676	330	331

29. (LOSS)/PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, (loss)/profit before tax is arrived at:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
After charging:				
Auditors' remuneration:				
- Statutory audit				
- current year	253	240	53	53
- Non-statutory audit	71	46	49	40
Fair value loss on derivatives	16	287	532	324
Inventories written down	68	-	-	-
Loss on foreign exchange:				
- Unrealised	-	360	-	234
- Realised	246	-	58	-
And crediting:				
Dividend income	-	-	-	10,800
Fair value gain on short term funds	8	14	8	14
Unrealised gain on foreign exchange	204	-	-	-
Gain on disposal of associate	130	-	-	-
Gain on disposal of property, plant and equipment	144	62	1	-
Gain on disposal of lease assets	64	2,496	-	-
Interest income received from:				
- fixed deposits with licensed banks	72	873	20	232
- short term funds	220	302	127	282
- subsidiaries	-	-	3,142	2,189
Realised gain on foreign exchange	-	587	-	539
Management fees from subsidiaries	-	-	3,828	2,964

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30. TAX EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expense based on (loss)/profit for the financial year				
- Current year	1,122	3,524	-	-
- Under provision in prior years	72	58	-	-
	1,194	3,582	-	-
Deferred tax (Note 11)				
- Relating to origination and reversal of temporary differences	34	215	-	-
- (Over)/Under provision in prior year	(90)	84	-	-
	(56)	299	-	-
Total tax expense	1,137	3,881	-	-

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 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.
- (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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
(Loss)/Profit before tax	(3,398)	8,362	(15,342)	5,489
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(816)	2,007	(3,682)	1,317
Difference in tax rate	34	841	-	-
Non-allowable expenses	2,154	5,861	3,276	825
Non-taxable income	(2,490)	(5,755)	(36)	(2,626)
Tax incentive	-	(324)	-	-
Deferred tax assets not recognised	2,273	1,109	442	484
	1,155	3,739	-	-
Under/(Over) provision in prior years:				
- income tax	72	58	-	-
- deferred tax	(90)	84	-	-
	1,137	3,881	-	-

NOTES TO THE FINANCIAL STATEMENTS

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30. TAX EXPENSE (CONT'D)

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

	Before tax RM'000	Group Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss			
2021			
Foreign currency translations	(202)	-	(202)
2020			
Foreign currency translations	343	-	343

31. WARRANTS 2020/2025

On 7 January 2021, the Company listed and quoted 44,971,973 Warrants pursuant to the Issuance of Free Warrants on the basis of one (1) Warrant for every three (3) existing shares held in the Company.

The Warrants are constituted by the Deed Poll dated 8 December 2020.

Salient features of the Warrants are as follows:

- (a) Each Warrant entitles the registered holder thereof to subscribe for one (1) new ordinary share in the Company at an exercise price of RM1.00 during the 5-year period expiring on 26 December 2025;
- (b) Any Warrant not exercised upon expiry of the Exercise Period will thereafter lapse and cease to be valid for any purpose;
- (c) The Exercise Price and/or the number of the unexercised Warrant shall, from time to time be adjusted, calculated or determined by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of the Company, in accordance with the provisions of the Deed Poll;
- (d) The Warrant Holders shall not be entitled to participate in any rights, allotment, dividends and/or other forms of distributions which may be declared, made or paid, where the entitlement date of which precedes the date of allotment of the new Company Shares. The Warrant Holders are not entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of securities in the Company unless otherwise resolved by the shareholders of the Company or the Warrant Holders (or any of them) become shareholders of the Company by exercising their Warrants; and

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31. WARRANTS 2020/2025 (CONT'D)

- (e) If a resolution is passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:
- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the registered Warrant Holder (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant Holders; and
 - (ii) in any other case, every Warrant Holder shall be entitled, upon and subject to the provisions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants to the Company, submitting the exercise form duly completed together with payment of the relevant exercise money, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the exercise rights represented by such Warrants to the extent specified in the relevant exercise form and be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date been the holder of the new Company Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

There was no exercised of Warrant during the financial year ended 31 March 2021.

32. (LOSS)/EARNINGS PER ORDINARY SHARE

- (a) Basic

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit 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	
	2021	2020
(Loss)/Profit attributable to equity holders of the Company (RM'000)	(6,360)	2,480
Weighted average number of ordinary shares in issue after deducting the treasury shares ('000)	134,919	134,919
Basic (loss)/earnings per ordinary share (sen) for: (Loss)/Profit for the financial year	(4.71)	1.84

- (b) The diluted loss per share for the current financial year is anti-dilutive and the warrants exercise price is more than the average share price for the financial year (2020: None). Accordingly, the diluted loss per share for the current financial year is presented as equal to basic loss per shares

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33. DIVIDENDS

	Group and Company			
	2021	2020	2021	2020
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
In respect of financial year ended 31 March 2019				
- Interim cash dividend paid	-	-	3.00	4,048
In respect of financial year ended 31 March 2020				
- Interim cash dividend paid	1.25	1,686	-	-
	1.25	1,686	3.00	4,048

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2021.

34. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages, bonus and allowances	15,018	18,495	5,308	7,704
Defined contribution plan	1,716	1,713	624	800
Other employee benefits	431	1,084	298	688
Compensation for mutual separation scheme	1,205	-	1,129	-
	18,370	21,292	7,359	9,192

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35. CAPITAL COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Approved and not contracted for		
Purchase of property, plant and equipment	1,096	3,522

36. CONTINGENT LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Secured				
Bank guarantee given to customers in respect of contracts in subsidiaries	3,609	6,020	-	-
Bank guarantee given to suppliers in respect of goods supplied to a subsidiary	11,615	1,000	-	-
	15,224	7,020	-	-
Unsecured				
Corporate guarantees given by the Company for credit facilities granted to the subsidiaries	-	-	39,913	80,591

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.

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 would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

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37. 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:

	Company	
	2021	2020
	RM'000	RM'000
Subsidiaries:		
Interest income	3,142	2,189
Dividend income	–	10,800
Rental income	9	–
Management fees	3,828	2,964
Transfer of subsidiary	5,001	–

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 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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37. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel

The remunerations of Directors of the Company during the financial year were as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fees	369	372	369	372
Salaries	1,872	1,708	1,675	1,708
Other emoluments	830	1,161	802	1,161
	3,071	3,241	2,846	3,241

The remuneration of other key management personnel other than the Directors of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, bonus and allowance	3,926	3,318	2,559	1,677
Defined contribution plan	499	386	331	196
	4,425	3,704	2,890	1,873

38. 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.

NOTES TO THE FINANCIAL STATEMENTS

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38. OPERATING SEGMENTS (CONT'D)

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.

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 energy services, property development, and property investment, investment holding activities and other management services activities.

In the previous financial year, the Group has restructured its engineering, construction and fabrication segment into energy services segment resulting in three (3) 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, engineering and fabrication.
- (c) Investment holdings and others
 - Investment holdings and management services activities

NOTES TO THE FINANCIAL STATEMENTS

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38. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Total RM'000
2021				
Revenue				
Total revenue	1,674	111,125	–	112,799
Inter-segment revenue	–	–	–	–
Revenue from external customers	1,674	111,125	–	112,799
Interest income	–	145	147	292
Finance costs	(490)	(3,430)	(330)	(4,250)
Lease interest	(119)	(90)	(10)	(219)
Net finance expense	(609)	(3,375)	(193)	(4,177)
Depreciation of property, plant and equipment	5	7,165	279	7,449
Amortisation of right-of-use assets	162	1,228	285	1,675
Amortisation of intangible assets	–	289	–	289
Impairment loss on goodwill	–	–	8,536	8,536
Total depreciation, amortisation and impairment loss	167	8,682	9,100	17,949
Segment loss before tax	(1,273)	8,472	(10,597)	(3,398)
Segment assets	61,877	163,404	13,862	239,143
Segment liabilities	48,127	62,395	10,236	120,758
Other information:				
Additions to non-current assets other than financial instruments	30	24,328	78	24,436

NOTES TO THE FINANCIAL STATEMENTS

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38. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Total RM'000
2020				
Revenue				
Total revenue	51,962	174,684	–	226,646
Inter-segment revenue	–	–	–	–
Revenue from external customers	51,962	174,684	–	226,646
Interest income	–	545	630	1,175
Finance costs	(548)	(795)	(333)	(1,676)
Lease interest	–	(2,277)	(26)	(2,303)
Net finance (expense)/income	(548)	(2,527)	271	(2,804)
Depreciation of property, plant and equipment	4	718	133	855
Amortisation of right-of-use assets	163	22,472	288	22,923
Amortisation of intangible assets	–	275	–	275
Total depreciation and amortisation	167	23,465	421	24,053
Segment (loss)/profit before tax	(580)	19,015	(10,073)	8,362
Segment assets	56,191	200,804	36,316	293,311
Segment liabilities	39,069	118,085	11,397	168,551
Other information:				
Additions to non-current assets other than financial instruments	13	85,745	22	85,780

NOTES TO THE FINANCIAL STATEMENTS

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38. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2021 RM'000	2020 RM'000
Assets		
Total assets for reportable segments	239,143	293,311
Current tax assets	738	602
Deferred tax assets	247	225
Assets of the Group	240,128	294,138
Liabilities		
Total liabilities for reportable segments	120,758	168,551
Current tax liabilities	445	595
Deferred tax liabilities	704	727
Liabilities of the Group	121,907	169,873

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 a part of its energy business that operates in Australia under ENRA Kimia (Australia) Pty Ltd's Group as follows:

	2021 RM'000	2020 RM'000
Segment assets:		
ENRA Kimia (Australia) Pty. Ltd.'s Group	12,206	9,946
ENRA Property (UK) Limited's Group	34,296	29,891
	46,502	39,837

Major customers

Other than a single customer who contributed about 81% (2020: 61%) to the revenue of the Group, there is no other customer who contributed significantly to the revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

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39. 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 2020.

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 2020 and 31 March 2021.

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 0.54 times (2020: 0.82 times) and 0.06 times (2020: 0.06 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 of more than 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 2021.

(b) Determination of fair value

The methods and assumptions used to estimate fair values of financial assets and financial liabilities are 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.

NOTES TO THE FINANCIAL STATEMENTS

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39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Determination of fair value (Cont'd)

(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.

(iv) Land entitlement payment – non current

The fair value of land entitlement payment is estimated by the amount that would be payable upon settlement using a valuation technique with market observable inputs.

(v) 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.

(vi) Forward foreign currency contracts

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

(c) Fair value hierarchy

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- 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).
- 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).

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event of change in circumstances that causes the transfers.

The carrying amount of cash and cash equivalents, short term receivable and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

39. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy (Cont'd)

The table below analyses other financial instruments at fair value:

2021	Fair value of financial instruments carried at fair value					Fair value of financial instruments not carried at fair value					Total fair value RM'000	Carrying amount RM'000		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000			Level 3 RM'000	Total RM'000
Group														
Financial assets														
Derivative assets	-	553	-	553	-	-	-	-	-	-	-	-	553	553
Short term funds	1,111	-	-	1,111	-	-	-	-	-	-	-	-	1,111	1,111
Financial liabilities														
Contingent consideration for business acquisition	-	-	2,271	2,271	-	-	-	-	-	-	-	-	2,271	2,271
Derivative liability	-	344	-	344	-	-	-	-	-	-	-	-	344	344
Land entitlement payment	-	-	13,489	13,489	-	-	-	-	-	-	-	-	13,489	13,489
RCPS	-	-	-	-	-	-	-	6,360	-	-	-	6,360	6,360	6,465
Company														
Financial assets														
Short term funds	1,111	-	-	1,111	-	-	-	-	-	-	-	-	1,111	1,111
Financial liabilities														
Derivative liability	-	344	-	344	-	-	-	-	-	-	-	-	344	344

NOTES TO THE FINANCIAL STATEMENTS

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39. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy (Cont'd)

The table below analyses other financial instruments at fair value (Cont'd):

2020	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Group										
Financial assets										
Derivative assets	-	225	-	225	-	-	-	-	225	225
Short term funds	23,947	-	-	23,947	-	-	-	-	23,947	23,947
Financial liabilities										
Contingent consideration for business acquisition	-	-	2,904	2,904	-	-	-	-	2,904	2,904
Land entitlement payment	-	-	9,450	9,450	-	-	-	-	9,450	9,450
RCPS	-	-	-	-	-	-	5,909	5,909	5,909	6,006
Company										
Financial assets										
Derivative assets	-	188	-	188	-	-	-	-	188	188
Short term funds	23,154	-	-	23,154	-	-	-	-	23,154	23,154

NOTES TO THE FINANCIAL STATEMENTS

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39. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy (Cont'd)

Level 3 fair value

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
Financial liabilities			
Contingent consideration for business acquisition	Discounted cash flows method	Discount rate (9.31%) The ability of ICE achieving its profit target	The higher the discount rate, the lower the fair value of the liabilities would be. The fair value is derived with the assumption that ICE will achieve its profit target for the entire Guarantee period. Fair value will be lower in the event ICE could not achieve its profit target.
RCPS	Discounted cash flows method	Discount rate 5%	The higher the discount rate, the lower the fair value of the liabilities would be.

40. 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.

NOTES TO THE FINANCIAL STATEMENTS

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (Cont'd)

At the end of the reporting period, the Group does not have any significant exposure to any individual customer or counterparty other than 74% (2020: 91%) of the Group's trade receivables as at reporting date were due from three (3) (2020: three (3)) major customers. The Group does not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

Other than the amounts owing by the subsidiaries amounting to RM 61,757,000 (2020: RM40,871,000), which represent 98% (2020: 88%) of trade and other receivables of the Company, there is no significant concentration of credit risk of the Company.

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 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	
	2021 RM'000 (Loss) / Profit after tax	2020 RM'000 Profit / (Loss) after tax	2021 RM'000 (Loss) / Profit after tax	2020 RM'000 Profit / (Loss) after tax
Increase by 0.1% (2020: 0.1%)	(9)	(30)	(6)	(3)
Decrease by 0.1% (2020: 0.1%)	9	30	6	3

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. 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 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	Total RM'000
At 31 March 2021									
Fixed rates									
Fixed deposits with licensed banks and short term funds	16	1.54	16,117	-	-	-	-	-	16,117
Term loans	24	6.06	41,685	4,198	1,220	1,220	1,220	535	50,078
RCPS liability	18	7.64	-	-	898	5,567	-	-	6,465
Floating rates									
Other borrowings	25	5.40	10,076	-	-	-	-	-	10,076
Bank Overdraft	23	6.40	1,585	-	-	-	-	-	1,585

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. 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):

Group	Note	Weighted average effective interest rate %	Within 1 year 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	Total RM'000
At 31 March 2020									
Fixed rates									
Fixed deposits with licensed banks and short term funds	16	1.15	36,273	—	—	—	—	—	36,273
Term loans	24	6.42	30,296	27,802	399	508	3,013	1,296	63,314
RCPS liability	18	7.64	—	—	828	5,178	—	—	6,006
Floating rates									
Other borrowings	25	4.20	38,828	—	—	—	—	—	38,828

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. 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 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	Total RM'000
At 31 March 2021									
Fixed rates									
Fixed deposits with licensed banks and short term funds	16	0.60	3,211	-	-	-	-	-	3,211
Amounts due from subsidiaries	13	7.50	61,757	-	-	-	-	-	61,757
Floating rates									
Other borrowings	25	5.14	8,000	-	-	-	-	-	8,000

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. 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 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	Total RM'000
At 31 March 2020									
Fixed rates									
Fixed deposits with licensed banks and short term funds	16	0.71	25,254	-	-	-	-	-	25,254
Amounts due from subsidiaries	13	11.75	40,871	-	-	-	-	-	40,871
Term loan	24	15.00	5,000	-	-	-	-	-	5,000
Floating rates									
Other borrowings	25	7.41	4,000	-	-	-	-	-	4,000

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. 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.

2021	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Trade and other payables	35,891	13,658	–	49,549
RCPS liability	–	8,096	–	8,096
Lease liabilities	1,020	801	6,070	7,891
Borrowings	56,293	8,232	563	65,088
Derivative liability	344	–	–	344
Total undiscounted financial liabilities	93,548	30,787	6,633	130,968
Company				
Financial liabilities				
Trade and other payables	4,081	–	–	4,081
Lease liabilities	46	–	–	46
Borrowings	8,411	–	–	8,411
Derivative liability	344	–	–	344
Total undiscounted financial liabilities	12,882	–	–	12,882

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Liquidity and cash flow risks (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

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 (Cont'd).

2020	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities				
Trade and other payables	45,819	10,788	–	56,607
RCPS liability	–	8,096	–	8,096
Lease liabilities	1,437	1,597	6,313	9,347
Borrowings	73,264	33,227	1,361	107,852
Total undiscounted financial liabilities	120,520	53,708	7,674	181,902
Company				
Financial liabilities				
Trade and other payables	6,058	–	–	6,058
Lease liabilities	292	46	–	338
Borrowings	9,106	–	–	9,106
Total undiscounted financial liabilities	15,456	46	–	15,502

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

40. 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(f) 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 of exchange rates in the US Dollar ("USD"), British Pound ("GBP"), Australian Dollar ("AUD"), Euro and Singapore Dollar ("SGD") against 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	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
(Loss)/Profit after tax					
USD/RM	- strengthen by 3%				
	(2020: 3%)	48	17	235	-
	- weaken by 3%				
	(2020: 3%)	(48)	(17)	(235)	-
GBP/RM	- strengthen by 3%				
	(2020: 3%)	(564)	(467)	217	200
	- weaken by 3%				
	(2020: 3%)	564	467	(217)	(200)
AUD/RM	- strengthen by 3%				
	(2020: 3%)	(82)	(69)	-	-
	- weaken by 3%				
	(2020: 3%)	82	69	-	-
EURO/RM	- strengthen by 3%				
	(2020: 3%)	-	(136)	-	-
	- weaken by 3%				
	(2020: 3%)	-	136	-	-
SGD/RM	- strengthen by 3%				
	(2020: 3%)	-	1	-	-
	- weaken by 3%				
	(2020: 3%)	-	(1)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Development on claim against Gemula Sdn. Bhd.

On 11 June 2018, 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 Kendaraan 8 x 8 Dan Kendaraan 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:

- (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 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”).

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Development on claim against Gemula Sdn. Bhd. (Cont'd)

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 Kuala Lumpur 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 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.

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 has been obtained and remains valid.

(b) Claim against a principal

With reference to Paragraph 40 (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 RM3,864,055 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, EEFAB received from its solicitors, a sealed consent order dated 3 February 2021 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 ("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 Plaintiff and the Defendant shall bear their own respective costs and expenses arising from this Originating Summons Application.

By 31 March 2021, EEFAB has received the full settlement sum from Defendant. With this payment, the case is officially closed.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(c) Claim against ENRA SPM Labuan Limited

On 22 July 2020, ESPML a wholly-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 (the parent company of ESPML), 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).

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

On 6 May 2021, PT CMS via its solicitor has served their first memorial and related documents which include submission on fact and law, supported by Witness Statements and expert report to ESPML's solicitor. Based on PT CMS's submission of claims, PT CMS is seeking approximately USD5.57 million. ENRA SPM has until 28 July 2021 (being an extension of time from 28 June 2021) to serve its similar memorial with the help from its solicitor to defend itself and to counter claim against PT CMS.

ESPML denied that it is in breach and/or in repudiatory breach and/or anticipatory breach of the Charterparty and/or the Settlement Agreement as alleged or at all. On the contrary, it is PT CMS who is in breach and/or repudiatory breach of the Charterparty and/or the Settlement Agreement. As a result of PT CMS's breach and/or repudiatory breach, ESPML has suffered loss and damages (including fines and penalties) presently in the excess of approximately USD 10.00 million.

ESPML and ENRA SPM, 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. ENRA SPM'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 11 January 2021, the ESPML and ENRA SPM's writ in the High Court in Sabah and Sarawak at Kuching has been renewed for a period of 6 months from 28 January 2021 to 27 July 2021.

ESPML's solicitor advised that ESPML has valid and viable defences and a meritorious counterclaim on the facts. Based on that, ESPML has not made any provision for liabilities in respect of PT CMS's claims beyond what was already recognised in the financial year ended 31 March 2021. Similarly, ESPML has not recognised any asset arising from potential counter claim against PT CMS for the loss and damages it suffered.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(d) 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”).

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, 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 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.

Controval 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 as 2nd Respondent is baseless and is seeking legal advice on the matter. ESPML as the 2nd Respondent intends to vigorously defend its position in this matter. The Arbitral Tribunal has issued the Procedural Order on 30 April 2021, with Controval served its points of claims for a sum of USD381,211 on 28 May 2021. ESPML has until 9 July 2021 to serve its response via its solicitor to defend itself and to counter claim against Controval.

(e) COVID-19 Pandemic

The 2019 Novel Coronavirus infection (“COVID-19”) was declared a pandemic by the World Health Organisation on 11 March 2020. The Government of Malaysia imposed a Movement Control Order on 18 March 2020 and subsequently entered into various phases and intensity of MCO depending on the statistic and the severity of the active cases.

Since then, the Group and the Company has experienced certain disruption to its operations including:

- (i) distorted level of demand for certain products and services as a consequence of cashflow management and cost optimisation exercises by certain customers; and
- (ii) uncertainty of the various movement control orders in practice in respect of permitted political, economic and social activities.

Consequently, the Company recognised impairment loss on investment in subsidiaries of RM11,701,000 and the Group recognised total impairment loss on goodwill of RM8,536,000 as the result of the COVID-19 pandemic. Also, the Group and the Company recognised compensation for mutual separation scheme of RM1,205,000 and RM1,129,000 respectively during the financial year. The details are disclosed in Notes 7, 9 and 34 to the financial statements.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group and the Company has therefore considered the impact of the COVID-19 pandemic across its business operations and took the necessary precautions and provisions where necessary. The Group and the Company will also continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

42. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSS

42.1 New MFRSS adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendment to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020 (early adopted)
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of Amendment to MFRS 16 as described in the following section.

Amendment to MFRS 16 Covid-19-Related Rent Concessions

MFRS 16 has been amended to:

- (a) Provide lessees with an exemption from the requirement to determine whether a COVID-19-related rent concession is a lease modification; and
- (b) Require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (i) Changes in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of the lease.

The Group has early adopted Amendment to MFRS 16 during the financial year ended 31 March 2021 and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and in similar circumstances. Consequently, the Group did not recognise changes in these lease payments as lease modifications and instead, recognised these as variable lease payments in profit or loss. The effects of early adoption are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

42. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSSs (CONT'D)

42.2 New MFRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
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 and Amendments since the effects would only be observable for future financial years.

43. FINANCIAL REPORTING UPDATES

43.1 IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ("IFRIC") issued a final agenda decision on 26 November 2019 regarding Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16).

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the financial year ended 31 March 2021. There is no material impact on the financial statements of the Group as at the end of reporting period.

PROPERTIES OWNED BY THE GROUP

	Location/ Address	Built-Up Area (Sq. Ft.)	Existing Use/ Description of Property	Tenure	Approximate Age of Building	Carrying Amount As At 31 March 2021 (RM'000)	Asset Category
	Condominium units:						
1	C-35-03A	873	Residential unit for sale	Leasehold			
2	C-23A-08	873	Residential unit for sale	Leasehold			
3	R-09-03A	1,054	Residential unit for sale	Leasehold			
4	C-10-03A	1,054	Residential unit for sale	Leasehold	5 years	4,560	Inventories
5	R-08-01	1,272	Residential unit for sale	Leasehold			
6	R-13A-03A	1,054	Residential unit for sale	Leasehold			
7	R-08-12	1,272	Residential unit for sale	Leasehold			
	located at Shamelin Star Residences, 36A, Jalan 4/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur (owned by ENRA Group Berhad)						
8	Marjorie Hume House, Church Walk, Church Street, Rugby, the United Kingdom, held under title WK205515 (owned by Caldecott Square Rugby Limited)	N/A	Vintage building for redevelopment	Freehold	132 years	26,105	Inventories (redevelopment to senior living)
9	Herbert Gray College, Little Church Street, Rugby, the United Kingdom, held under title WK167310 (owned by Caldecott Square Rugby Limited)	N/A	Vintage building for redevelopment	Freehold	172 years		
10	St Andrew's Church House, Church Walk, Church Street, Rugby, the United Kingdom, held under title WK462131 (owned by Abode Caldecott Square Development Limited)	N/A	Vintage building for redevelopment	Freehold	82 years	5,386	
11	1 Freehold Title held under Title Number: NGL748650 in a 5 storey Grade II Listed Building known as 93 Great Titchfield Street, W1W 6RP London, United Kingdom (owned by Fitzrovia Development Limited)	N/A	Freehold title for sale	Freehold	215 years	470	Inventories
12	Leasehold land under title: PN 9958, Lot 6120 Mukim Teluk Kalung Daerah Kemaman Negeri Terengganu (owned by ENRA Kimia Sdn. Bhd.)	107,811 square feet (1.002 hectares/ 2.475 acres)	Industrial land	Leasehold until 26 Dec 2070	N/A	1,209	Right-of-use Asset
13	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.)	2,613,600 square feet (24.28 hectares/ 60 acres)	Undersea land (yet to be reclaimed)	Leasehold until 26 May 2076	N/A	9,056	Right-of-use Asset

PROPERTIES OWNED BY THE GROUP

	Location/ Address	Built-Up Area (Sq. Ft.)	Existing Use/ Description of Property	Tenure	Approximate Age of Building	Carrying Amount As At 31 March 2021 (RM'000)	Asset Category
14	Land together with any improvements and fixtures on or under the Land known as 18-20 Kilkenny Court, Dandenong VIC 3175, Melbourne, Australia Land title volume 11814 folio 354 (owned by ENRA Kimia (Australia) Pty. Ltd.)	5,705 square feet (0.0526 hectares/ 0.13 acres)	Office, warehouse and chemical storage for International Chemicals Engineering Pty. Ltd.	Freehold	18 years	4,845	Property, plant and equipment
15	Land under title 911, Lot 984, Kayu Ara, Mukim Rasah, Seremban, Negeri Sembilan Darul Khusus (owned by Hamptons Homes Sdn. Bhd.)	121,966 square feet (1.1331 hectares/ 2.471 acres)	Land held for property development	Freehold	N/A	4,315	Inventories
16	Land under title 522, Lot 605, Kayu Ara, Mukim Rasah, Seremban, Negeri Sembilan Darul Khusus (owned by Hamptons Homes Sdn. Bhd.)	138,575 square feet (1.2784 hectares/ 3.181 acres)	Land held for property development	Freehold	N/A		Inventories
17	Malay reserved land under title 1077, Lot 1879, Batu 9, Jalan Klang, Mukim Teluk Panglima Garang, Kuala Langat, Selangor Darul Ehsan (developed by Merpati TPG Sdn. Bhd., under a Joint Venture Agreement with the land owner)	91,213 square feet (0.8474 hectares/ 2.094 acres)	Developed for affordable homes project (under construction)	Freehold	N/A	2,285	Inventories
18	Malay reserved land under title 45, Lot 5292, Batu 10, Jenderam Hulu, Mukim Dengkil, Sepang, Selangor Darul Ehsan (developed by DV Homes Sdn. Bhd., under a Joint Venture Agreement with the land owner)	165,269 square feet (1.5354 hectares/ 3.794 acres)	Land held for property development	Leasehold until 15 Dec 2079	N/A	5,019	Inventories
19	Malay reserved land under title 2844, Lot 6452, Batu 7, Jalan Maran, Mukim Bukit Segumpal, Maran, Pahang Darul Makmur (developed by Makmur Homes Sdn. Bhd., under a Joint Venture Agreement with the land owner)	285,889 square feet (2.656 hectares/ 6.563 acres)	Land held for property development	Leasehold until 3 Jan 2062	N/A	5,915	Inventories
20	Malay reserved land under title 1287, Lot 4157, Bukit Kemandol, Mukim Teluk Panglima Garang, Kuala Langat, Selangor Darul Ehsan (developed by Prominent Archway Sdn. Bhd., under a Joint Venture Agreement with the land owners)	161,986 square feet (1.5049 hectares/ 3.719 acres)	Land held for property development	Leasehold until 18 Jan 2072	N/A	4,562	Inventories

ANALYSIS OF SHAREHOLDINGS

AS AT 17 JUNE 2021

Type of securities	:	Ordinary shares
Issued Share Capital	:	134,918,543
Treasury shares	:	1,289,400
Voting Rights	:	1 Vote per ordinary share

SHAREHOLDINGS DISTRIBUTION

Size of Shareholdings	No. of Shareholders	% *	No. of Shares	% *
Less than 100 shares	286	14.14	7,023	0.01
100 to 1,000 shares	1,147	56.70	761,682	0.56
1,001 to 10,000 shares	422	20.86	1,511,180	1.12
10,001 to 100,000 shares	112	5.53	4,017,173	2.98
100,001 to less than 5% of issued shares	52	2.57	77,540,085	57.47
5% and above of issued shares	4	0.20	51,081,400	37.86
Total	2,023	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 (Excluding 1,289,400 treasury shares)

No.	Name of Shareholders	No. of Shares	% *
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Trillion Icon Sdn. Bhd. (PB)</i>	16,962,000	12.57
2.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Mizreen Capital Sdn. Bhd. (MBB HK-417261)</i>	13,400,000	9.93
3.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Maybank Kim Eng Securities Pte. Ltd. (A/C 649063)</i>	10,719,400	7.95
4.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Carrillo Capital Sdn. Bhd. (PB)</i>	10,000,000	7.41
5.	Vista Icon Sdn. Bhd.	6,227,400	4.62
6.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Paling Terbilang Sdn. Bhd. (PB)</i>	6,000,000	4.45
7.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Ooi Peng Cuan</i>	6,000,000	4.45
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kamaluddin bin Abdullah (PB)</i>	5,350,000	3.97
9.	Action Venture Sdn. Bhd.	5,000,000	3.71
10.	Ambank (M) Berhad <i>Pledged securities account for Ali bin Abdul Kadir (SMART)</i>	4,900,000	3.63

ANALYSIS OF SHAREHOLDINGS

AS AT 17 JUNE 2021

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D) (Excluding 1,289,400 treasury shares)

No.	Name of Shareholders	No. of Shares	% *
11.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Loh Chen Yook (8089132)</i>	4,500,000	3.34
12.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-Asing)</i>	4,096,185	3.04
13.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kok Kong Chin (PB)</i>	3,000,000	2.22
14.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Amira Properties Sdn. Bhd. (in members' voluntary liquidation)(PB)</i>	2,572,600	1.91
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Yau Kok Seng (001)</i>	2,512,000	1.86
16.	Kumpulan Wang Persaraan (diperbadankan)	2,204,800	1.63
17.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Azmil Khalili bin Khalid</i>	2,100,000	1.56
18.	Sharifah Salwa binti Syed Kamaruddin	2,000,000	1.48
19.	Lam Fook Weng	1,835,300	1.36
20.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Intelek Kuasa Sdn. Bhd. (PB)</i>	1,400,000	1.04
21.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Kian Aik (8058967)</i>	1,341,000	0.99
22.	RHB Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Phillip Securities Pte. Ltd. (A/C Clients)</i>	1,240,000	0.92
23.	Anuar bin Ahmad	1,000,000	0.74
24.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Wee Yiau Hin @ Ong Yiau Hin (PB)</i>	1,000,000	0.74
25.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Chow Zee Neng</i>	1,000,000	0.74
26.	Trillion Icon Sdn. Bhd.	1,000,000	0.74
27.	Dickson Tan Yong Loong	956,000	0.71
28.	Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Maybank Kim Eng Securities Pte. Ltd. for Cheah Teik Seng</i>	769,400	0.57
29.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Loh Chen Yook (021)</i>	691,300	0.51
30.	Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Maybank Kim Eng Securities Pte. Ltd. (A/C 648849)</i>	682,600	0.51
	Total	120,459,985	89.30

* Excluding a total of 1,289,400 ordinary shares bought back by the Company and retained as treasury shares.

ANALYSIS OF SHAREHOLDINGS

AS AT 17 JUNE 2021

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares Held		% *
			% *	Indirect Interest	
1.	Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	3.97	35,362,000 <i>a</i>	26.21
2.	Dato' Mazlin bin Md Junid	–	–	13,400,200 <i>b</i>	9.93
3.	Izreen Natalia binti Mazlin	–	–	13,400,200 <i>b</i>	9.93
4.	Ikhmal Mirza bin Mazlin	–	–	13,400,200 <i>b</i>	9.93
5.	Trillion Icon Sdn. Bhd.	17,962,000	13.31	–	–
6.	Mizreen Capital Sdn. Bhd.	13,400,200	9.93	–	–
7.	Chua Ming Huat	10,719,400	7.95	682,600 <i>d</i>	0.51
8.	Carrillo Capital Sdn. Bhd.	10,000,000	7.41	–	–

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS

No.	Name of Directors	Direct Interest	No. of Shares Held		% *
			% *	Indirect Interest	
1.	Datuk Ali bin Abdul Kadir	4,900,000	3.63	–	–
2.	Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	3.97	35,362,000 <i>a</i>	26.21
3.	Dato' Mazlin bin Md Junid	–	–	13,400,200 <i>b</i>	9.93
4.	Kok Kong Chin	3,000,000	2.22	–	–
5.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	–	–	2,000,000 <i>c</i>	1.48
6.	Datuk Anuar bin Ahmad	1,000,000	0.74	–	–
7.	Dato' Wee Yiau Hin	1,000,000	0.74	–	–
8.	Loh Chen Yook	5,191,300	3.85	–	–

Notes:

- a* Indirect interest held through Trillion Icon Sdn. Bhd., Paling Terbilang Sdn. Bhd., Intelek Kuasa Sdn. Bhd. and Carrillo Capital Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("the Act").
- b* Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- c* 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.
- d* Indirect interest held through KCT Investments, Inc and Summit Investment Partners Limited pursuant to Section 8(4) of the Act.
- * Excluding 1,289,400 ordinary shares bought back by the Company and retained as treasury shares.

ANALYSIS OF WARRANTHOLDINGS

AS AT 17 JUNE 2021

Type of securities	:	Warrants 2020/2025
Issued Date	:	29 December 2020
Maturity Date	:	26 December 2025

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100 warrants	310	16.14	4,896	0.01
100 to 1,000 warrants	1,363	70.95	424,171	0.94
1,001 to 10,000 warrants	166	8.64	506,305	1.13
10,001 to 100,000 warrants	40	2.08	1,316,151	2.93
100,001 to less than 5% of warrants in issue	36	1.88	19,459,986	43.27
5% and above warrants in issue	6	0.31	23,260,464	51.72
Total	1,921	100.00	44,971,973	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

No.	Name of Warrantholders	No. of Warrants	% *
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Trillion Icon Sdn. Bhd. (PB)</i>	5,654,000	12.57
2.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Mizreen Capital Sdn. Bhd. (MBB HK-417261)</i>	4,466,666	9.93
3.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Maybank Kim Eng Securities Pte. Ltd. (A/C 649063)</i>	3,473,133	7.72
4.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Carrillo Capital Sdn. Bhd. (PB)</i>	3,333,333	7.41
5.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Amira Properties Sdn. Bhd. (in members' voluntary liquidation)(PB)</i>	3,166,666	7.04
6.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Accentvest Sdn. Bhd. (in members' voluntary liquidation)(PB)</i>	3,166,666	7.04
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Paling Terbilang Sdn. Bhd. (PB)</i>	2,000,000	4.45
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kamaluddin bin Abdullah (PB)</i>	1,783,333	3.97
9.	Ambank (M) Berhad <i>Pledged securities account for Ali bin Abdul Kadir (SMART)</i>	1,633,333	3.63
10.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Loh Chen Yook (8089132)</i>	1,500,000	3.34

ANALYSIS OF WARRANTHOLDINGS

AS AT 17 JUNE 2021

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

No.	Name of Warrantholders	No. of Warrants	% *
11.	HSBC Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Credit Suisse (SG BR-TST-Asing)</i>	1,365,395	3.04
12.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Kok Kong Chin (PB)</i>	1,000,000	2.22
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Beneficiary : Urusharta Jamaah Sdn. Bhd. (AFFIN 1)</i>	839,333	1.87
14.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Azmil Khalili bin Khalid</i>	700,000	1.56
15.	Sharifah Salwa binti Syed Kamaruddin	666,666	1.48
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Yau Kok Seng (001)</i>	523,333	1.16
17.	Lam Fook Weng	512,633	1.14
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Francis Chai Kim Lung</i>	500,000	1.11
19.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Intelek Kuasa Sdn. Bhd. (PB)</i>	466,666	1.04
20.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Kian Aik (8058967)</i>	447,000	0.99
21.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Beneficiary : Chua Eng Ho Wa'a @ Chua Eng Wah</i>	432,000	0.96
22.	RHB Nominees (Asing) Sdn. Bhd. <i>Exempt AN for Phillip Securities Pte. Ltd. (A/C Clients)</i>	413,333	0.92
23.	Tan Jun Han	351,000	0.78
24.	Anuar bin Ahmad	333,333	0.74
25.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Wee Yiau Hin @ Ong Yiau Hin (PB)</i>	333,333	0.74
26.	Trillion Icon Sdn. Bhd.	333,333	0.74
27.	Chee Phooi Phooi	320,700	0.71
28.	M&A Nominee (Tempatan) Sdn. Bhd. <i>Pledged securities account for Mizreen Capital Sdn. Bhd. (M&A)</i>	320,566	0.71
29.	Dickson Tan Yong Loong	271,666	0.60
30.	Maybank Securities Nominees (Asing) Sdn. Bhd. <i>Maybank Kim Eng Securities Pte. Ltd. for Cheah Teik Seng</i>	239,800	0.53
Total		40,547,220	90.14

ANALYSIS OF WARRANTHOLDINGS

AS AT 17 JUNE 2021

SUBSTANTIAL WARRANTHOLDERS AS PER THE REGISTER OF SUBSTANTIAL WARRANTHOLDERS

No.	Name of Substantial Warrantholders	Direct Interest	No. of Warrants Held		% *
			% *	Indirect Interest	
1.	Tan Sri Dato' Kamaluddin bin Abdullah	1,785,876	3.97	11,787,332 a	26.21
2.	Dato' Mazlin bin Md Junid	–	–	4,787,232 b	10.64
3.	Izreen Natalia binti Mazlin	–	–	4,787,232 b	10.64
4.	Ikhmal Mirza bin Mazlin	–	–	4,787,232 b	10.64
5.	Trillion Icon Sdn. Bhd.	5,654,000	12.57	–	–
6.	Mizreen Capital Sdn. Bhd.	4,787,232	10.64	–	–
7.	Accentvest Sdn. Bhd.	3,166,666	7.04	–	–
8.	Amira Properties Sdn. Bhd.	3,166,666	7.04	–	–
9.	Chua Ming Huat	3,473,133	7.72	227,533 c	0.51
10.	Carrillo Capital Sdn. Bhd.	3,333,333	7.41	–	–

DIRECTORS' WARRANTHOLDINGS AS PER THE REGISTER OF DIRECTORS' WARRANTHOLDINGS

No.	Name of Directors	Direct Interest	No. of Warrants Held		% *
			% *	Indirect Interest	
1.	Datuk Ali bin Abdul Kadir	1,633,333	3.63	–	–
2.	Tan Sri Dato' Kamaluddin bin Abdullah	1,785,876	3.97	11,787,332 a	26.21
3.	Dato' Mazlin bin Md Junid	–	–	4,787,232 b	10.64
4.	Kok Kong Chin	1,000,000	2.22	–	–
5.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	–	–	666,666 d	1.48
6.	Datuk Anuar bin Ahmad	333,333	0.74	–	–
7.	Dato' Wee Yiau Hin	333,333	0.74	–	–
8.	Loh Chen Yook	1,523,766	3.39	–	–

Notes:

- a Indirect interest held through Trillion Icon Sdn. Bhd., Paling Terbilang Sdn. Bhd., Intelek Kuasa Sdn. Bhd. and Carrillo Capital Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("the Act").
- b Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- c Indirect interest held through KCT Investments, Inc and Summit Investment Partners Limited pursuant to Section 8(4) of the Act.
- d 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.



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