



**2023**  
Annual Report

## 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



### ETHICAL

To make decisions that promote goodness and avoid harm



### NOBLE

To behave in a manner that is respectful to others



### RELIABLE

To keep and deliver promises that have been made



### ACCOUNTABLE

To take ownership to all outcomes and never passing blame

# what's INSIDE

## OVERVIEW

Corporate Information	02
Corporate Structure	03

## PERFORMANCE REVIEW

Five-Year Financial Highlights	05
Chairman's Statement	07

## LEADERSHIP

Board of Directors' Profile	08
Key Senior Management's Profile	12
Management Discussion and Analysis	13

## CORPORATE GOVERNANCE

Corporate Governance Overview Statement	18
Sustainability Report	23
Audit, Risk Management and Sustainability Committee Report	67
Statement on Risk Management and Internal Control	71
Additional Compliance Information	77
Statement of Directors' Responsibilities	78

## FINANCIAL STATEMENTS & OTHERS

Financial Statements	79
Properties owned by ENRA Group	169
Analysis of Shareholdings	171
Analysis of Warrantholdings	174
Notice of Annual General Meeting	177
Form of Proxy	

# CORPORATE INFORMATION

## AUDIT, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

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

Dato' Wee Yiau Hin  
*Member*

Tunku Afwida binti Tunku  
Abdul Malek  
*Member*

Loh Chen Yook  
*Member*  
(appointed on 1 October 2022)

## BOARD NOMINATION AND REMUNERATION COMMITTEE

Dato' Wee Yiau Hin  
*Chairman*

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

Tunku Afwida binti Tunku  
Abdul Malek  
*Member*

## EMPLOYEES' SHARE SCHEME COMMITTEE

Dato' Wee Yiau Hin  
*Chairman*

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

Tunku Afwida binti Tunku  
Abdul Malek  
*Member*

## COMPANY SECRETARY

Chin Soo Ching @ Chen Soo  
Ching  
MAICSA 7042265  
SSM PC No.: 202008002101



## BOARD OF DIRECTORS

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

**Tan Sri Dato' Kamaluddin  
bin Abdullah**  
President & Group Chief  
Executive Officer

**Kok Kong Chin**  
Executive Director

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

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

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

**Tunku Afwida binti Tunku  
Abdul Malek**  
Independent Non-Executive  
Director

## SHARE REGISTRAR

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

## 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

## AUDITORS

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

## PRINCIPAL BANKERS/ LENDERS

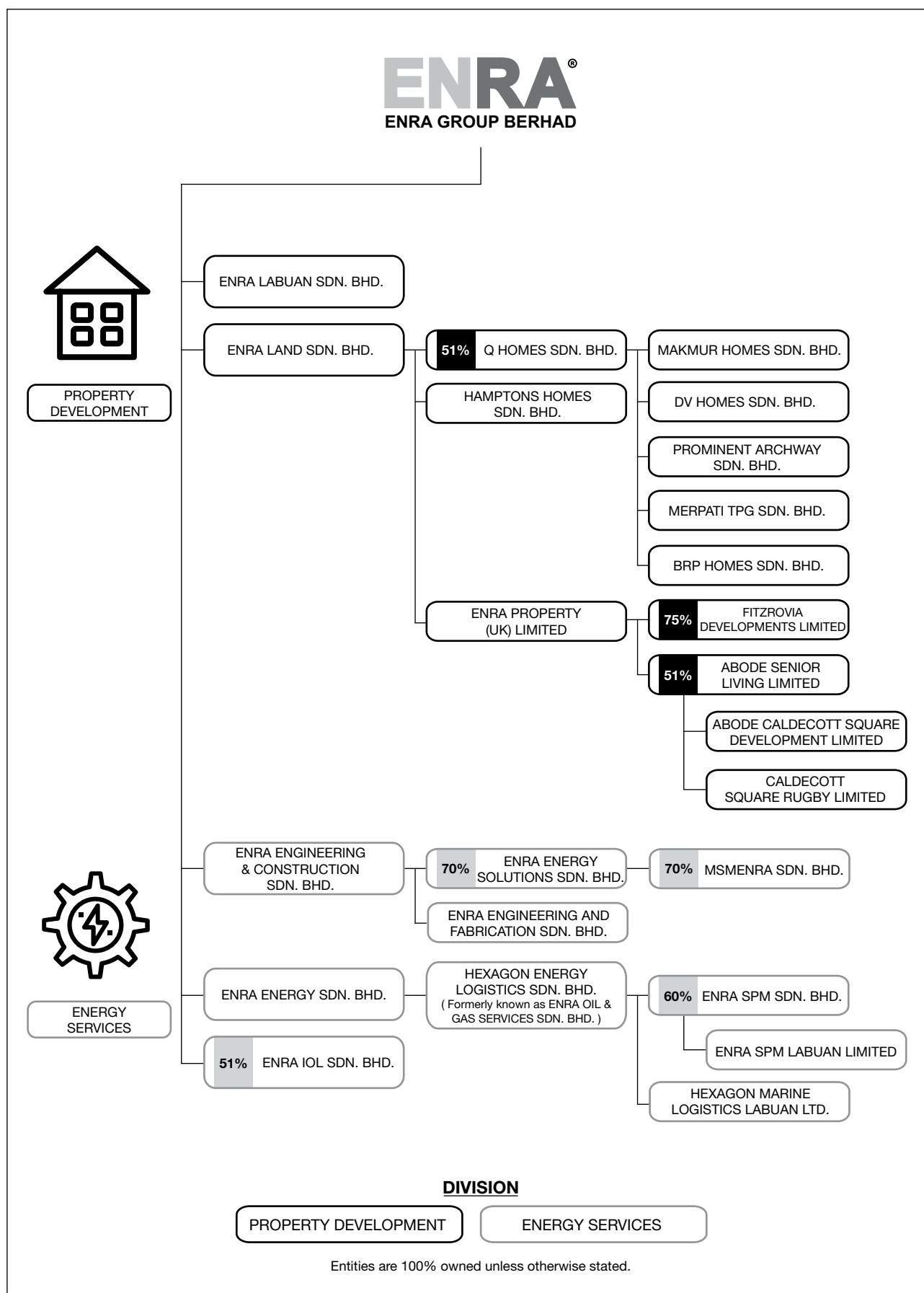
CIMB Bank Berhad  
Malayan Banking Berhad  
Bank Kerjasama Rakyat Malaysia  
Berhad

## STOCK EXCHANGE LISTING

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

## CORPORATE STRUCTURE

AS AT 15 JUNE 2023



## DEFINITIONS

GENERAL	
Board of Directors	Board
Bursa Securities	Bursa Malaysia Securities Berhad
ENRA Group or the Group	ENRA Group Berhad and its group of subsidiaries and associate interests
ENRA or the Company	Specifically, ENRA Group Berhad, the investment holding company of the Group
MMLR	Main Market Listing Requirements
MCCG 2021	Malaysian Code on Corporate Governance 2021
SC	Securities Commission Malaysia

FINANCIAL	
EI	Exceptional Items
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	
EES	ENRA Energy Solutions Sdn. Bhd. (a subsidiary of ENRA Energy)
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 Kimia	ENRA Kimia Sdn. Bhd. (a former subsidiary of ENRA Energy)
ENRA SPM	ENRA SPM Sdn. Bhd. [a subsidiary of Hexagon Energy Logistics Sdn. Bhd. (fka ENRA Oil & Gas Services Sdn. Bhd.)]
FSO	Floating Storage and Offloading
GPM	Gulf Petroleum Myanmar
ICE	International Chemicals Engineering Pty. Ltd. (a subsidiary of ENRA Kimia)
MRO	Maintenance, repair and overhaul
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

## FIVE-YEAR FINANCIAL HIGHLIGHTS

AS AT 31 MARCH 2023

	FYE2019	FYE2020	FYE2021 Restated	FYE2022	FYE2023
<b>Continuing Operations</b>					
- Revenue (RM'000)	164,706	226,646	55,302	62,707	<b>30,479</b>
- Gross profit/loss (RM'000)	32,569	43,927	16,693	19,853	<b>(1,909)</b>
- PBT/(LBT) before EI (RM'000)	4,346	8,362	2,003	(4,092)	<b>(14,724)</b>
- (Loss)/Profit After Tax (RM'000)	(26,317)	4,481	(8,053)	5,596	<b>(39,537)</b>
- (LATAMI)/PATAMI (RM'000)	(24,613)	2,480	(6,360)	7,319	<b>(25,476)</b>
- (LATAMI)/PATAMI before EI (RM'000)	(1,915)	2,480	3,380	(6,787)	<b>(12,231)</b>
- EPS (sen)	(18.24)	1.84	(4.71)	5.42	<b>(18.88)</b>
- EBITDA (RM'000)	12,827	36,475	2,518	15,615	<b>(31,802)</b>
- EBITDA before EI (RM'000)	37,365	36,475	12,259	5,274	<b>(7,049)</b>
Shareholders' equity (RM'000)	123,075	121,825	114,256	111,307	<b>87,286</b>
Number of shares ('000) (excluding treasury shares)	134,919	134,919	134,919	134,919	<b>134,919</b>
Net assets per share (RM)	0.91	0.90	0.85	0.82	<b>0.65</b>
Share price as at year end (RM)	1.15	1.20	0.62	0.87	<b>0.75</b>
Market capitalisation as at year end (RM'000)	155,156	161,902	83,649	117,379	<b>101,189</b>

**Exceptional items (RM'000)**  
**(above RM1.0 million)**

Net realisable value write down for inventories	9,276	-	-	241	<b>13,481</b>
Full impairment of the remaining balance of a trade receivables	15,262	-	-	-	<b>723</b>
Impairment on goodwill on acquisition	-	-	8,536	-	<b>400</b>
Mutual separation scheme	-	-	1,205	-	<b>-</b>
Gain on disposal of Subsidiaries	-	-	-	(19,588)	<b>-</b>
Impairment of Property Plant and Equipment	-	-	-	9,006	<b>-</b>
Mutual settlement on arbitration case	-	-	-	-	<b>10,148</b>
<b>Total exceptional items</b>	<b>24,538</b>	<b>-</b>	<b>9,741</b>	<b>(10,341)</b>	<b>24,752</b>

**EBITDA working(RM'000)**

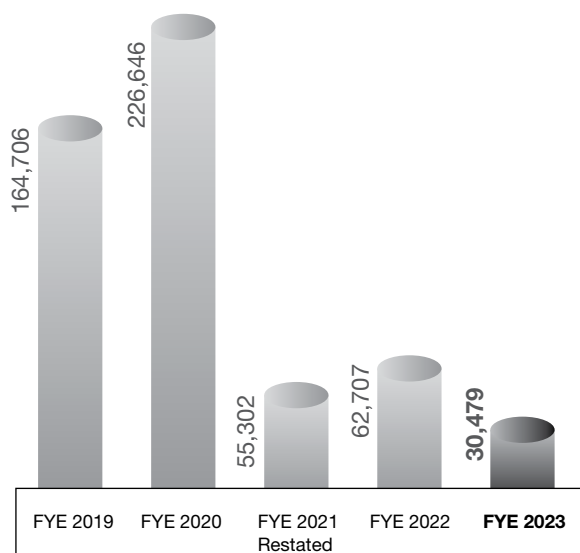
(LBT)/PBT	(20,192)	8,362	(7,738)	6,249	<b>(39,476)</b>
(+) Interest expense (including MFRS 116 and MFRS 16)	5,280	3,979	2,799	1,981	<b>1,603</b>
(+) Depreciation & amortisation (including MFRS116 + MFRS16)	27,739	24,134	7,457	7,385	<b>6,071</b>
EBITDA	12,827	36,475	2,518	15,615	<b>(31,802)</b>

# FIVE-YEAR FINANCIAL HIGHLIGHTS

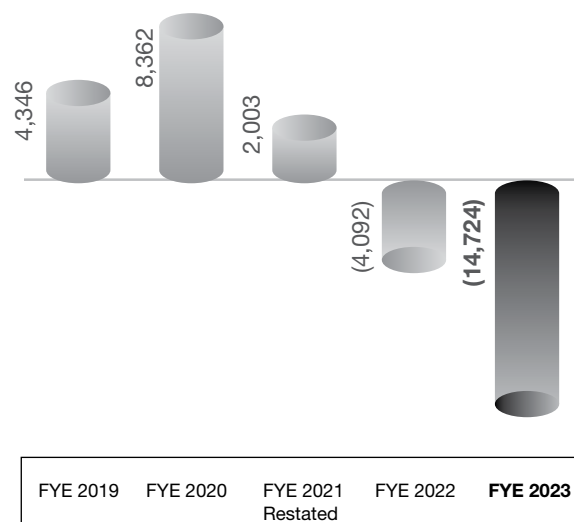
AS AT 31 MARCH 2023

(Cont'd)

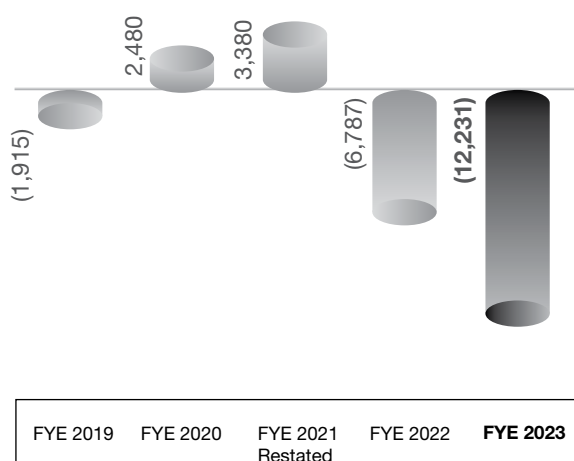
## REVENUE (RM'000)



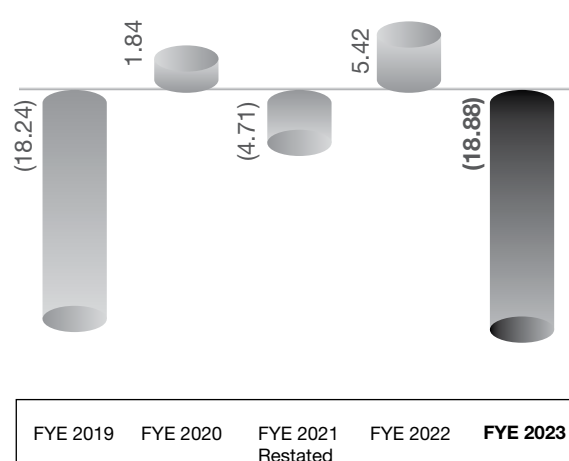
## PBT/ (LBT) before EI (RM'000)



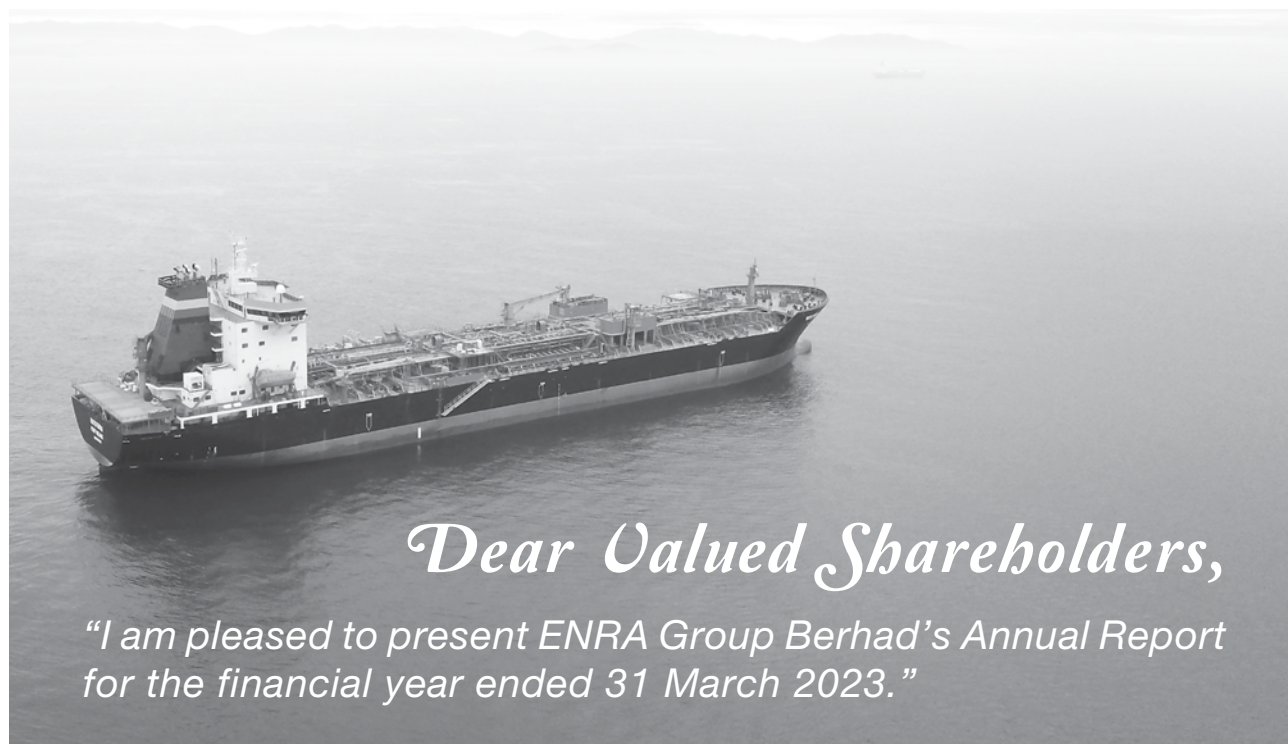
## (LATAMI)/PATAMI before EI (RM'000)



## EPS (Sen)



## CHAIRMAN'S STATEMENT



The prevailing global economic challenges have resulted in a muted year, with ENRA operationally stable but experiencing significant impairments for some projects which we are deferring until the market improves.

Our Energy Services segment remained resilient in a volatile market, effectively supporting the entire Group. The Property Development segment on the other hand is experiencing significant headwinds and the team is expending efforts to refine our existing products to tackle a very challenging market. We have high hopes for our growing MRO division which we anticipate to be a key new business to the Group.

Looking ahead, we remain cautious but believe that our stable financial position and asset base, diversified portfolio, and talented workforce position us well for future opportunities. We will continue to pursue and carefully evaluate opportunities and partnerships, invest in our people, and enhance operations.

On behalf of the Board and Management, I extend our deepest appreciation to our stakeholders for their support. Together, we will drive ENRA Group forward, delivering long-term value to shareholders through prudent capital allocation.

**Datuk Ali bin Abdul Kadir**

Chairman

21 June 2023



## DIRECTORS' PROFILE

### DATUK ALI BIN ABDUL KADIR



Chairman, Independent  
Non-Executive Director



Male



Malaysian



74

Datuk Ali was appointed to the Board as Chairman on 1 June 2015. He had served on the Audit, Risk Management and Sustainability Committee from 2015 to 2022 until he stepped down in accordance with MCGG's recommendation for the Chairman.

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 an Honorary Fellow of the Institute of Chartered Secretaries & Administrators (UK).

Datuk Ali is currently the Chairman of JcbNext Berhad and a Board member of Ekuiti Nasional Berhad and other private companies and foundations. He is also the Chairman of Amanah Lestari Alam and Persatuan Makanan Ehsan.

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) and chaired the Financial Reporting Foundation. Prior to his appointment to the Securities Commission, he was the Executive Chairman and Partner of Ernst & Young and its related firms. He was the former President of the MICPA and co-chaired 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 until 2021. He was the Honorary Advisor to ICAEW-KL City Chapter from 2000 to 2021.

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

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

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

He attended 9 Board meetings held during the financial year under review.

### TAN SRI DATO' KAMALUDDIN BIN ABDULLAH



President & Group Chief Executive Officer



Male



Malaysian



56

Tan Sri Dato' Kamaluddin was appointed to the Board on 20 April 2015 as a Non-Independent Non-Executive Director. He was redesignated as Executive Deputy Chairman of the Company on 1 June 2015 and subsequently as the President & Group Chief Executive Officer of the Company on 1 December 2021. 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 major shareholder of the Company, or any conflict of interests in any business arrangement involving the Company.

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

He attended all 10 Board meetings held during the financial year under review.

Directors' Profile  
(Cont'd)**KOK KONG CHIN****Executive Director****Male****Malaysian****57**

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

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

He has over 30 years of experience in the areas of strategy, general management, private equity, corporate and investment banking. The key positions he has held include Head of Equity Markets and Derivatives, Co-Head of Investment Banking, Head of International Banking & Transaction Services of CIMB Investment Bank Berhad, Head of Regional Banking of CIMB Group Berhad, Independent Non-Executive Director of Ping Petroleum Ltd and Group Managing Director of Tropicana Corporation Berhad. Currently he is the Independent Non-Executive Chairman of Pekat Group Berhad.

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

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

He attended all 10 Board meetings held during the financial year under review.

**TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS****Senior Independent  
Non-Executive Director****Male****Malaysian****71**

Tan Sri Dato' Seri Shamsul Azhar was appointed to the Board on 15 June 2015. He is the Senior Independent Non-Executive Director of the Company. He is also the Chairman of the Audit, Risk Management and Sustainability Committee, a member of the Board Nomination and Remuneration Committee and Employees' Share Scheme 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 Petroliaam 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 Shamsul 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 and the Chairman of Sapura Energy Berhad from 30 July 2020 to 7 May 2022.

He is currently the Chairman of the Board of Deleum Berhad.

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

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

He attended all 10 Board meetings held during the financial year under review.

## Directors' Profile (Cont'd)

### DATO' WEE YIAW HIN



Independent Non-Executive Director



Male



Malaysian



64

Dato' Wee was appointed to the Board on 24 August 2016. He is a member of the Audit, Risk Management and Sustainability Committee and the Chairman of the Board Nomination and Remuneration Committee and the Employees' Share Scheme Committee.

He has more than 30 years of experience in the Oil & Gas Industry across the Exploration & Production ("E&P") and Gas & LNG value chain.

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. In Malaysia, he was Vice President, Upstream Asia and Managing Director of Shell Malaysia E&P Companies, 2006-2010. 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, Anton Oilfield Services Group, which is listed on the Hong Kong Stock Exchange. He is an Audit Committee member of Anton Oilfield Services Group.

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

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

He attended all 10 Board meetings held during the financial year under review.

### LOH CHEN YOOK



Independent Non-Executive Director



Male



Malaysian



68

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

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 the Company, or any conflict of interests in any business arrangement involving the Company.

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

He attended all 10 Board meetings held during the financial year under review.

Directors' Profile  
(Cont'd)**TUNKU AFWIDA BINTI TUNKU ABDUL MALEK**

Independent Non-Executive Director



Female



Malaysian



57

Tunku Afwida was appointed to the Board on 8 March 2022. She is also a member of the Audit, Risk Management and Sustainability Committee, Board Nomination and Remuneration Committee and Employees' Share Scheme Committee.

She holds a Bachelor of Science (Honours) degree in Economics and Accountancy from City University London, UK, qualified as a Chartered Accountant from the ICAEW and is a member of the MIA.

Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was the Chief Executive Officer ("CEO") and Executive Director ("ED") of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd. She was also a Director of Asia Equity Research Sdn Bhd from 2015 to 2022.

She is currently the Chairman of Affin Hwang Investment Berhad and a Board member of Telekom Malaysia Berhad ("TM"), SAM Engineering & Equipment (M) Berhad and DXN Holdings Berhad.

She is also a Director of GITN Sdn Bhd, a subsidiary of TM.

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

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

She attended 9 Board meetings held during the financial year under review.

## KEY SENIOR MANAGEMENT'S PROFILE

<p><b>AMIR RUQAIMI BIN NGAH</b> <i>Chief Financial Officer</i></p> <p><b>Date of Appointment :</b> 1 February 2021</p> <p><b>Nationality:</b> Malaysian</p> <p><b>Age/Gender</b> 38/Male</p>	<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Accounting, University of Malaya, Malaysia</li> <li>• Chartered Global Management Accountant (CIMA)</li> <li>• Member of MIA</li> </ul> <p><b>Working Experience</b></p> <ul style="list-style-type: none"> <li>• MSM Trading International DMCC (MTID) Dubai, UAE – Head of Finance (2016 - 2019)</li> <li>• MSM Malaysia Holdings Berhad, Malaysia – Accountant (2011 - 2015)</li> <li>• Felda Holdings Berhad – Finance Executive (2008 - 2011)</li> </ul> <p><b>Directorship/Relevant Appointments (outside ENRA)</b></p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>
<p><b>DANIEL LAU LEE HOONG</b> <i>Chief Investment Officer</i></p> <p><b>Date of Appointment :</b> 25 November 2021</p> <p><b>Nationality:</b> Malaysian</p> <p><b>Age/Gender</b> 40/Male</p>	<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Masters in Accounting &amp; Business, Aston Business School</li> <li>• Bachelor's Degree with Honours in Computer Science, University of Warwick</li> </ul> <p><b>Working Experience</b></p> <ul style="list-style-type: none"> <li>• Maestro Capital Sdn Bhd, a boutique M&amp;A advisory firm (2010 - 2014)</li> <li>• CIMB Investment Bank Berhad (2006 - 2009)</li> </ul> <p><b>Directorship/Relevant Appointments (outside ENRA)</b></p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>
<p><b>IKHLAS BIN ZAINAL</b> <i>Chief Executive Officer of ENRA Energy Solutions Sdn Bhd</i></p> <p><b>Date of Appointment :</b> 1 January 2023</p> <p><b>Nationality:</b> Malaysian</p> <p><b>Age/Gender</b> 40/Male</p>	<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Science, Industrial Design, Faculty of Mechanical Engineering UTM Skudai, Johor.</li> </ul> <p><b>Working Experience</b></p> <ul style="list-style-type: none"> <li>• MTU Services (M) Sdn Bhd - Chief Operating Officer (2019 - 2022) - Director Operations (2014 - 2018) - General Manager, Service Centre (2009 - 2014)</li> <li>• Motor Teknologi and Industri Sdn Bhd - Chief Operating Officer (2019 - 2022)</li> <li>• Central Management and Cataloguing Agency, CMCA - Chief Operating Officer (2019 - 2022)</li> </ul> <p><b>Directorship/Relevant Appointments (outside ENRA)</b></p> <ul style="list-style-type: none"> <li>• N/A</li> </ul>

### ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

#### Family Relationship with any Directors and/or Major Shareholder

None of the Key Senior Management have family relationship with any other Directors and/or Major Shareholders of the Company.

#### Conflict of Interest

None of the Key Senior Management have any conflict of interest with the Company.

#### Conviction for Offences (within the past 5 years, other than traffic offences)

None of the Key Senior Management have any conviction for offences (other than traffic offence, if any) and have not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

# MANAGEMENT DISCUSSION AND ANALYSIS

**ENRA Group Berhad concludes the financial year ended 31 March 2023 by diversifying into the MRO segment and continuing to grow and streamline its existing businesses.**

## FINANCIAL SNAPSHOT FOR THE YEAR UNDER REVIEW

	FYE 2022 RM mil	Change %	FYE 2023 RM mil	Remarks
<b>Revenue</b>	<b>62.71</b>	<b>(51.41)</b>	<b>30.47</b>	
Energy Services	57.12	(58.58)	23.66	<i>Redeployment of Vessel from September 2022</i>
Property Development	2.68	109.33	5.61	<i>Recognition of sale of land and continuing progress of Taman Iram Perdana</i>
MRO	2.91	(58.76)	1.20	<i>Completion of previous long-term contract and contribution from ad hoc services and solutions</i>
<b>Gross Profit/(Loss)</b>	<b>19.86</b>	<b>(109.62)</b>	<b>(1.91)</b>	
Energy Services	18.44	(114.26)	(2.63)	<i>Vessel downtime for five months to prepare for next deployment</i>
Property Development	0.51	15.69	0.59	<i>Primarily generated from sale of land</i>
MRO	0.91	(85.71)	0.13	<i>In line with change in revenue</i>
<b>PATAMI/(LATAMI)</b>	<b>7.32</b>	<b>n.m.</b>	<b>(25.48)</b>	<i>Impairment on EPUK land and settlement of PT CMS litigation</i>
<b>ROE</b>	<b>6.6%</b>	<b>n.m.</b>	<b>(29.2)%</b>	
<b>ROA</b>	<b>3.9%</b>	<b>n.m.</b>	<b>(16.6)%</b>	

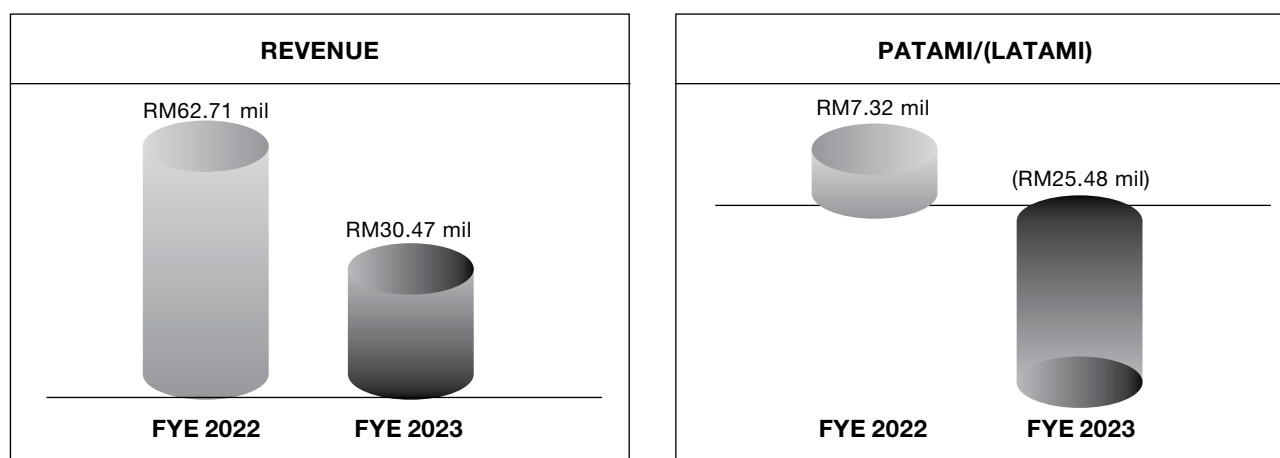
*Note: The FYE 2022 numbers for the Energy Services division have been segmented further to reflect the diversification into MRO.*

## KEY HIGHLIGHTS FOR THE YEAR

- Diversification of business into the MRO segment, allowing ENRA to develop a new area of growth;
- Hexagon Energy Logistics Sdn. Bhd. (formerly known as ENRA Oil & Gas Services Sdn. Bhd.) entered into a 5-year Bareboat Charter ("BBC") for Ratu ENRA with 7Seas Maritime Transportation – FZCO ("7Seas") amounting to ~RM41 million; and
- Maiden project at Taman Iram Perdana, Teluk Panglima Garang, was physically completed on time and is now undergoing utilities installation in the lead-up to issuance of Certificate of Completion and Compliance.

## Management Discussion and Analysis (Cont'd)

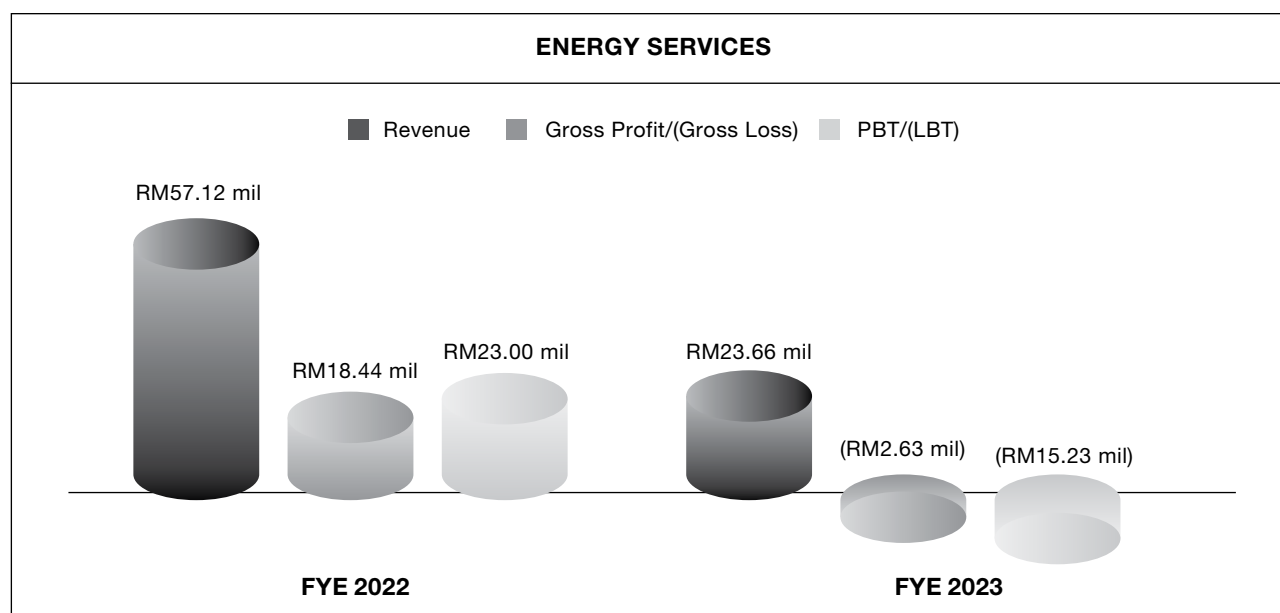
### FINANCIAL PERFORMANCE



ENRA's FYE 2023 total revenue decreased by 51.41% due to our divestment from ENRA Kimia in FYE 2022 and a period of downtime in preparing Ratu ENRA for redeployment in May FYE 2023.

The Group's PATAMI for the year had declined due to a major impairment exercise on our EPUK land located in Rugby and the settlement of outstanding litigation.

### ENERGY SERVICES



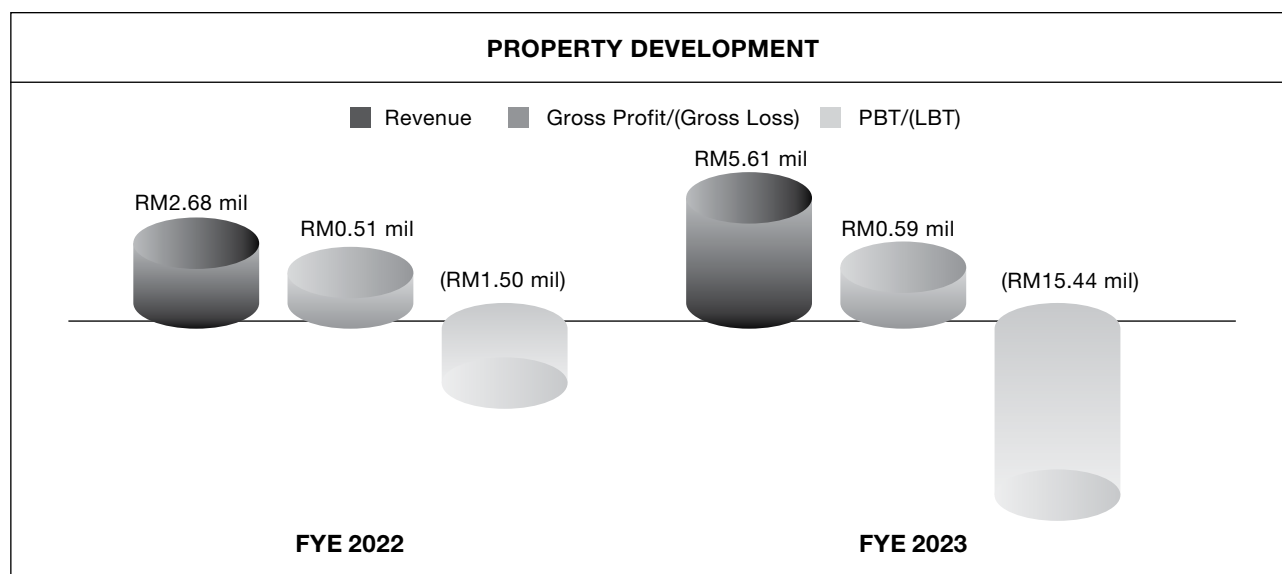
After the MRO division was diversified into its own core business, the Energy Services division's main business is the provision of energy logistics services and solutions entailing vessel-based storage and transportation. This division continues to be the main contributor for the Group and generated RM23.66 million of revenue and RM2.63 mil of gross loss for FYE 2023. The downtime of the Ratu ENRA vessel during the five months in between contracts incurred running costs and maintenance expenses which resulted in a gross loss. Combined with the settlement of the PT CMS litigation amounting to USD3.35 million, the division experienced a loss before tax of RM15.23 million.

ENRA SPM is set to complete its FSO and SPM contract in the Yetagun Oil Field with GPM following a contract extension which will continue into the second quarter of the next financial year. The team has been able to manage the operations of the Vessel smoothly while maintaining a good safety track record.



## Management Discussion and Analysis (Cont'd)

### PROPERTY DEVELOPMENT

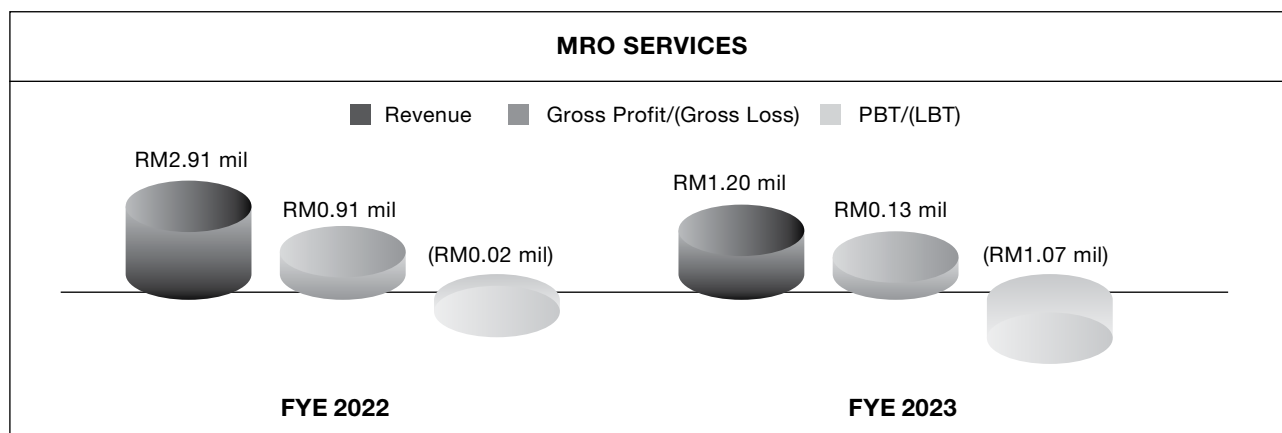


Revenue for the Property Development division improved from RM2.68 million in 2022 to RM5.61 million in 2023 primarily attributable to the disposal of Hamptons land for RM4.50 million. The remaining revenue was generated from the completion of construction for Taman Iram Perdana. Despite the increase in revenue, gross profit remained stable because the profit margin from the sale of land was low. This division incurred an LBT due to the impairment exercise carried out on our EPUK land in Rugby.

Construction on the foundation for our second project, Taman Vista Impian, Dengkil began in July 2022. To date this development has attracted a significant level of interest and we hope to officially launch it for sales in early FYE 2024.

Our development in Rugby, UK continued to face headwinds from fluctuating exchange rates, and supply and logistical considerations, which did not exist prior to the pandemic. We continued to refine various ideas to develop the land in order to maintain the feasibility of this project – a process which is still ongoing.

### MRO SERVICES



The Group continues to expend efforts to develop this business segment especially following the strategic decision to diversify our core business into the MRO segment. Revenue for the MRO Services division decreased from RM2.91 million in 2022 to RM1.20 million in 2023 as a result of a lower activity with our primary clients.

We continue to build our track record with the major international oil company IOC through servicing more of their diesel engines. After diversification had been approved, we had been active in setting up a team and planning the set-up of a new facility.



## Management Discussion and Analysis (Cont'd)

### FINANCIAL POSITION OVERVIEW

ENRA ends the financial year with a positive balance sheet:

- **Net assets** have decreased from RM111.3 million as at 31 March 2022 to RM87.3 million as at 31 March 2023;
- **Gearing** has remained low, 0.16 times in FYE 2023 compared to 0.03 times in FYE 2022;
- **Cash and cash equivalents** have decreased from RM20.3 million in FYE 2022 to RM12.8 million in FYE 2023, which is still sufficient to support our existing working capital needs.

Our Group's balance sheet remains healthy and our maintenance of low gearing has ensured our current favourable position.

### FUTURE PROSPECTS

The general economic environment, including Malaysia's, is expected to remain challenging due to prevailing inflation, high interest rates and a variety of geopolitical uncertainties.

#### Energy Services

The Energy Services division, which is now exclusively focused on energy logistics, is poised for a promising outlook in the upcoming year. This division has been operating Ratu ENRA and a Single Point Mooring system ("SPM") for an 8-month contract ending June 2023, which has been extended for another 3 weeks as part of a disconnection process. After a planned dry dock, Ratu ENRA will be chartered on a bareboat basis for a 5+5-year period.

Given the current elevated oil prices and prevailing geopolitical environment, the logistics of oil, gas and related cargo for storage or transport purposes is anticipated to be in high demand, which bodes well for this division.

Furthermore, as we continue to expand the business, management will continue to explore SPM opportunities within the South East Asian region as well as the Middle East. This would not only be limited to leasing but will also include the provisioning and fabrication of new SPM systems.

#### Property Development

The property sector as a whole is experiencing various challenges, notably escalating material costs which has placed significant strain on our contractors and necessitated revisions to our existing construction contracts. To address these concerns, we have implemented an industrialised building system (IBS) to effectively manage costs and optimised manpower requirements. In order to support our target market, we also have introduced competitive pricing schemes and benefits.

Management is currently assessing the feasibility of our Rugby project and considering its sale. The planning approval for the project, encompassing extra-care residences and care homes, remains valid. Despite the aforementioned challenges, we are actively exploring opportunities and adopting an objective perspective to decide between development and sale.

Moving forward, the Group has determined that our resources should be consolidated and focused on projects primarily within Malaysia. Therefore, this division will prioritise on completing all existing projects before embarking on the development of new sites. Our team remains open to exploring potential opportunities both within and beyond the affordable housing market, provided they are viable.

## Management Discussion and Analysis (Cont'd)

### MRO Services

Following the Group's diversification into the business, ENRA is set to increase business activities within this division as a whole. The focus for the upcoming year will be to cement our position in this industry through active efforts in business development.

The division has begun a business development and marketing drive of its services and solutions to both the Government and commercial sectors. The division has also hired a team of trained and qualified technicians, as well as investing in its first Service Centre. In addition, to ensure sustainable supply chain management and to address clients' obsolescence issues commonly encountered with aging capital assets, the Company has established a broad network of reliable vendors to supply parts and provide technical assistance to prospective customers.

In order to achieve our growth targets for the upcoming year, our MRO division will be immediately targeting the servicing of Diesel Engines (encompassing maintenance, servicing, machining, repairs and ancillary services) across various sectors such as oil & gas, agriculture, marine and transportation, amongst others.

### CONCLUSION

ENRA remains vigilant through our discipline in managing costs and our adherence to risk mitigation. Through our diversification, ENRA will aim to establish stable revenue streams across multiple divisions so as not to be reliant on just one sector. Management is optimistic that we will be able to organically grow our current core businesses whilst continuing to explore other opportunities that may be beneficial to the Group.

Overall, whilst the immediate future presents some challenges, management is confident that the Group will be able to weather the challenges. We have taken initiatives to ensure that our foundation is stable for growth ahead.

Our Energy Services division has ensured the redeployment of Ratu ENRA after the current contract which will provide a strong baseline to support the Group. In addition, we have identified opportunities for our SPM product within Southeast Asia and the Middle East which we will continue to explore. For our Property Development division, we are hopeful and anticipating a resolution to our efforts to develop the Rugby land and our existing projects in Malaysia. Finally, we are pleased with our new team in the MRO Services division and are looking forward to growth arising from their active business development and our new facility.

# 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 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 2021. This statement is supplemented with the Corporate Governance Report (“CG Report”) which provides the details on how the Company has applied each Practice of good governance with the relevant provisions as prescribed in the MCCG 2021 during the financial year ended 31 March 2023. The CG Report is available on the Company’s website at [www.enra.my](http://www.enra.my).

This Corporate Governance Overview Statement should also be read in conjunction with the other statements in the Annual Report, namely, the Statement on Risk Management and Internal Control, the Audit, Risk Management and Sustainability 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 sustainability, 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 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 Director 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 environmental, social and governance across the Group’s operations. This includes formalizing policy, 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 the 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 a 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, Risk Management and Sustainability Committee (“ARMSC”), the Board Nomination and Remuneration Committee (“BNRC”) and the Employees’ Share Scheme Committee (“ESSC”). In order to ensure that the direction and control of the Group remain with the Board, the Board has defined the terms of reference for each Committee and receives reports from the Board Committees of their proceedings and deliberations together with their recommendations and relevant decisions. The Chairman of the respective Board Committees will report to the Board on the outcome of these meetings. These Board Committees were formed in order to enhance business and operational efficiency and efficacy but the Board remains fully responsible for the direction and control of the Company and the Group. The ultimate responsibility for the final decision on all matters lies with the Board. The terms of reference for the ARMSC, the BNRC and the ESSC can be found on the Company’s website ([www.enra.my](http://www.enra.my)).

## Corporate Governance Overview Statement (Cont'd)

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

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

The Board has adopted a Board Charter, which sets out its roles, functions, composition, operation and process giving consideration to the principles of good corporate governance and requirements of the MMLR of Bursa Securities. The Board Charter which serves as a source of reference for all Directors will be reviewed and updated periodically in accordance with the needs of the Company 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 the Company and the Group's Core Values, Code of Business Conduct and other governance requirements and compliance requirements and to encourage and enable employees, directors, shareholders or any parties with a business relationship with the Company to raise concerns regarding any illegal conduct or malpractice at the earliest opportunity without being subject to victimization, harassment or discriminatory treatment and to have such concerns properly investigated within the Company and the Group prior to seeking resolution outside the Company. 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 Company 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 the high level of integrity and public trust in the conduct of ENRA Group's businesses associated gifts and hospitality.

In line with new Paragraph 15.01A of the MMLR of Bursa Securities, a formal Directors' Fit & Proper Policy for appointment and re-election/ re-appointment of Directors was adopted on 24 November 2022.

During the financial year, the Board had also adopted a Sustainability (ESG) Policy which sets out guidance on how to conduct the business responsibly so that the Company create long-term value for its stakeholders and improve its long term performance and resilience.

The details of the Board Charter, Directors' Code of Ethics, Code of Business Conduct, Whistleblowing Policy, Anti-Corruption Policy & Procedure, the Gifts and Hospitality Reporting Guidelines, the Directors' Fit & Proper Policy and the Sustainability (ESG) Policy are available on the Company's website ([www.enra.my](http://www.enra.my)).

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

#### II. Board Composition

The strength of the Board lies in the composition of its members, who have a wide range of expertise, extensive specialised experience in ENRA's various business areas and diverse backgrounds. As of the date of this Statement, the Board consists of seven (7) members comprising five (5) Independent Non-Executive Directors and two (2) Executive Directors (including the President and Group Chief Executive Officer) which meets the requirement of Practice 5.2 of the MCCG 2021 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 (Cont'd)

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

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

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

Nonetheless, the Board takes cognizant 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. At present, Tunku Afwida binti Tunku Abdul Malek, the only women representative on the Board, constituting 14% of the Board Composition.

The BNRC analysed and discussed the evaluation report on the effectiveness of the Board and Board Committees on an annual basis. The BNRC reviews the comments and areas of improvement highlighted in the evaluation reports.

All the Directors had participated in the Board and Board Committees assessment and evaluation process for the financial year 2023. The performance evaluation of the Board for the financial year ended 31 March 2023 included a review of the performance of the Board in addressing the Company's material sustainability risks and opportunities to drive Environmental, Social and Governance ("ESG") strategy and implementation.

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 the Company'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 MCGG 2021 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 as well as their contribution to the Company. 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, and are subject to the prior approval of shareholders at the Annual General Meeting of the Company. The Company reimburses reasonable expenses incurred by the Non-Executive Directors in the course of their duties as Directors. During the financial year ended 31 March 2023, the BNRC had undertaken the following activities in relation to remuneration matters: -

- (a) Considered and recommended the remuneration of the Non-Executive Directors for shareholders' approval at the 30th Annual General Meeting of the Company.
- (b) Reviewed and recommended the performance bonus and annual salary increment for the employees.
- (c) Reviewed the scorecard achievements and recommended the proposed profit share allocation for the Executive Directors.

## Corporate Governance Overview Statement (Cont'd)

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

#### III. Remuneration (Cont'd)

The Board has a formalised Remuneration Policy for Directors and Senior Management which outlines the principles for the BNRC to determine and propose an appropriate level of remuneration for the Directors and Senior Management. The policy is available on the Company's website at [www.enra.my](http://www.enra.my).

Details of the remuneration of the Directors of the Company for the financial year ended 31 March 2023 are provided in Practice 8.1 of the CG Report.

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. Audit, Risk Management and Sustainability Committee

The Board has established an ARMSC to provide robust and comprehensive oversight on the financial reporting matters as well as the external audit, internal audit and sustainability processes. The ARMSC comprises four (4) members, all of whom are Independent Non-Executive Directors. The Company also complies with Practice 9.1 of the MCGG 2021 that the Chairman of the ARMSC is not the Chairman of the Board. In line with the requirements of Paragraph 15.09 (1)(c)(i) of the MMLR of Bursa Securities, one (1) of the members of ARMSC is a member of the Malaysian Institute of Accountants and a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW).

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the ARMSC, in assessing the suitability and independence of the external auditors. Such procedures entail the provision of written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. The ARMSC has met with the external auditors without the presence of the Executive Directors and Management twice during the financial year ended 31 March 2023.

The ARMSC 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 2023 did not in any way impair their objectivity and independence as external auditors of the Company.

On an annual basis, the ARMSC reviews and monitor the suitability and independence of the external auditors. The ARMSC 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 30th 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 reasonable but not absolute assurance against material misstatement, loss or fraud.

The Statement on Risk Management and Internal Control as set out on pages 71 to 76 in this Annual Report provides an overview of the management of risks and the 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 ARMSC. 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 toward planning and audit execution. The scope of work covered by the internal audit function during the financial year is set out on page 70 of this Annual Report.



## Corporate Governance Overview Statement (Cont'd)

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

#### I. Communication with Stakeholders

The Board recognises the importance of effective and timely communication with shareholders and the investors to ensure they make informed decisions. The Company keeps shareholders abreast of the financial performance and the future developments of the Group by way of the annual report, announcements of quarterly financial results and significant transactions made through Bursa Securities as well as press releases. The Company, through its internal Investor Relations representatives and the 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 is 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 the Company's website ([www.enra.my](http://www.enra.my)).

#### II. Conduct of General Meetings

The AGM of the Company serves as the primary platform for two-way dialogue with shareholders.

The Company had on 27 September 2022, conducted its 30th AGM and Extraordinary General Meeting ("EGM") virtually through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facility. The RPV allowing attendance of shareholders and proxies via remote participation and voting in absentia and have real-time interaction with Board and Senior Management. 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 13.1 of the MCCG 2021, the notice convening the 30th AGM dated 28 July 2022 was issued more than 28 days prior to the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM of the Company or to appoint a proxy to attend and vote on their behalf. Each item of special businesses included in the notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of the issues involved.

During the 30th AGM and the EGM the Company held on 27 September 2022, shareholders were briefed on the voting procedures and the results of the poll were verified by the independent scrutineer, Commercial Quest Sdn Bhd and displayed on the screen. The results of all resolutions proposed at the 30th AGM and the EGM of the Company were subsequently announced to Bursa Securities via Bursa LINK on the same day for the benefit of all shareholders.

The minutes of the 30th AGM and EGM detailing the meeting proceedings including issues or concerns raised by shareholders and responses by the Company are accessible at the Company's website ([www.enra.my](http://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 ENRA on 21 June 2023.

# SUSTAINABILITY REPORT

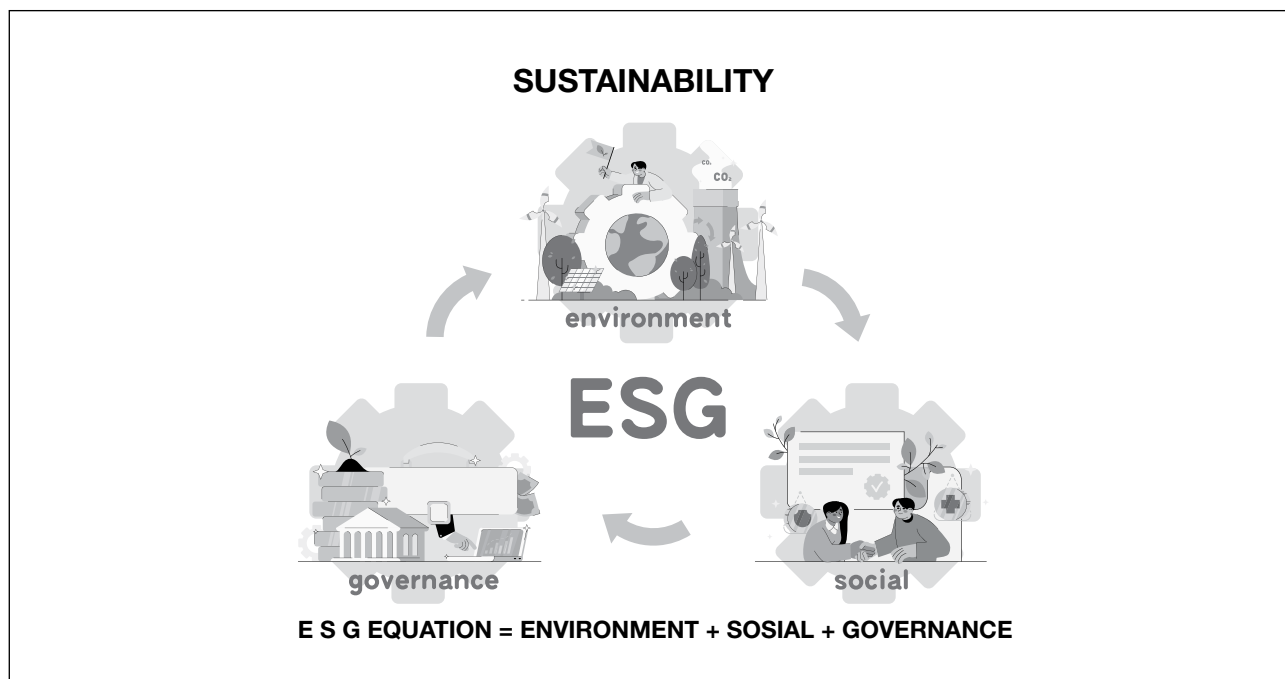
Annual reports nowadays are prepared by companies not solely for the benefit of their shareholders. Instead, the annual report is aimed to communicate with parties who are affected directly or indirectly by a company's activities; often referred to as stakeholders. The areas of interest and concern by stakeholders are varied and these diverse concerns are categorised into various pillars of sustainability.

Sustainability is key to a better future. It is an emphasis to inculcate conscious effort to improve the quality of our lives, protect our ecosystem and preserve natural resources for future generations. The globalisation of business activities and borderless markets has increased the need to ensure that the natural resources that we continuously tap into for our daily lives, business activities and survival are properly managed to ensure they continue to benefit future generations. This realisation has given rise to the birth of the Global Reporting Initiative ("GRI") in 1997. The GRI Standards developed since have given rise to the need for corporate entities to improve the transparency and accountability of their business activities and the reporting thereof.

Driven by GRI, the Sustainability Report is now accepted as a reporting best practice that helps businesses, governments and other organisations understand and communicate their impact on issues such as climate change, human rights and corruption. The standards set by GRI have now been accepted by companies worldwide. This is part of the worldwide shift from full-disclosure reporting to integrated reporting (i.e., to go beyond the emphasis on financial reporting). Through Sustainability Reports, corporate entities disclose and communicate to their stakeholders how they address the pillars of sustainability through defining their sustainability goals and identifying the risks involved.

Sustainability has three pillars, initially defined as **Economic, Environmental and Social ("EES")**. The three pillars have since been redefined as **Environment, Social and Governance** as shown in Illustration 1, below. A Sustainability Report is thus a disclosure by the corporate entities on how they address the three pillars of sustainability through identifying and setting their sustainability goals under each pillar as well as identifying the risks associated. Bursa Securities has also recommended that companies look into the effect and impact of climate change as a result of their activities.

## ILLUSTRATION 1 – SUSTAINABILITY PILLAR





## Sustainability Report (Cont'd)



Environmental sustainability focuses on how a company performs as a steward of nature. It considers how a company uses natural resources and how their operations impact the environment. It includes not only a company's direct operations but also all activities across its supply chains. Bursa Securities and the SC have put special emphasis on how climate change impacts are to be addressed in sustainability goals.



Social sustainability is about identifying and managing business impacts, both positive and negative, on people. This includes a company's treatment of employees, supply chain practices, community engagement and overall impact on society. It involves identifying and managing business impacts, both positive and negative, on people. The quality of a company's relationships and engagement with its stakeholders is critical.



Governance sustainability is defined as the set of written and unwritten rules that link ecological citizenship with institutions and norms of governance. It encompasses the system by which a corporate entity is controlled and operates, and the mechanisms by which it, and its people, are held to account. Ethics, risk management, compliance and administration are all elements of governance.

In Malaysia, the two regulatory bodies that oversee Sustainability reporting are **Bursa Securities** and **the SC**. Both regulators have placed an urgent requirement for listed companies like ENRA to disclose material matters that relate to their sustainability goals in their annual reports. Bursa Securities had made this reporting mandatory since 2016. With the release of the **MCCG 2021** on 28 April 2021 by the SC, all subsequent Sustainability Reports must adopt these new definitions. This becomes applicable to ENRA for the Sustainability Report for the year under review.

The MCCG 2021 was issued to strengthen the oversight of sustainability, of which the risks and opportunities require collective actions by the Board and Senior Management. The five new practices stipulated by MCCG 2021 are:

1. The Board, together with Management takes responsibility for the governance of sustainability in ENRA Group Berhad and its group of companies, including setting the Group's sustainability strategy, priorities and targets.
2. Strategic management of material sustainability matters ("MSMs") by Senior Management.
3. The Board to ensure that 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 should include reviews of their performance in addressing the Group's material sustainability risks and opportunities.
5. The Board identifies a designated person within Management to provide dedicated focus to manage sustainability strategically.

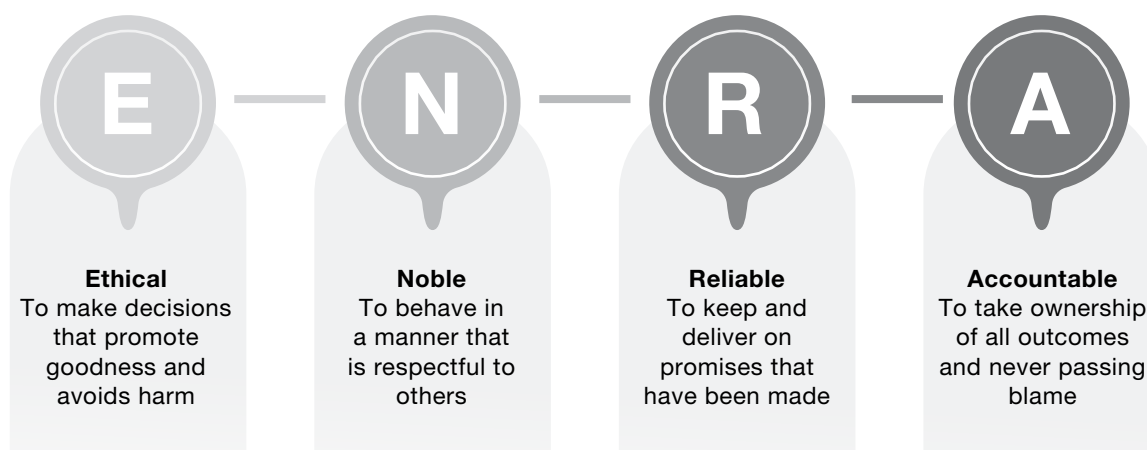
After the issuance of the above, training was conducted on 18 May 2021 for the members of the Board and the Senior Management team to ensure that they will be fully aware of their roles and responsibilities towards Sustainability.

Sustainability Report  
(Cont'd)**SUSTAINABILITY AT ENRA**

When ENRA was founded in 2015, the founders had the foresight of putting together a Vision and Shared Values that remain evergreen. When we started our Sustainability journey in 2018, we could see that the essence of Sustainability was already embedded in our Vision and Shared Values.

**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”***

**Our Shared Values**

Consistent with the underlying intention and regulations on Sustainability, ENRA is committed to achieving continuous business growth and long-lasting positive impact 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 driven by strong and positive motives of Profit, People and Planet (“3Ps”).

**A. Our Period, Area and Segment Coverage**

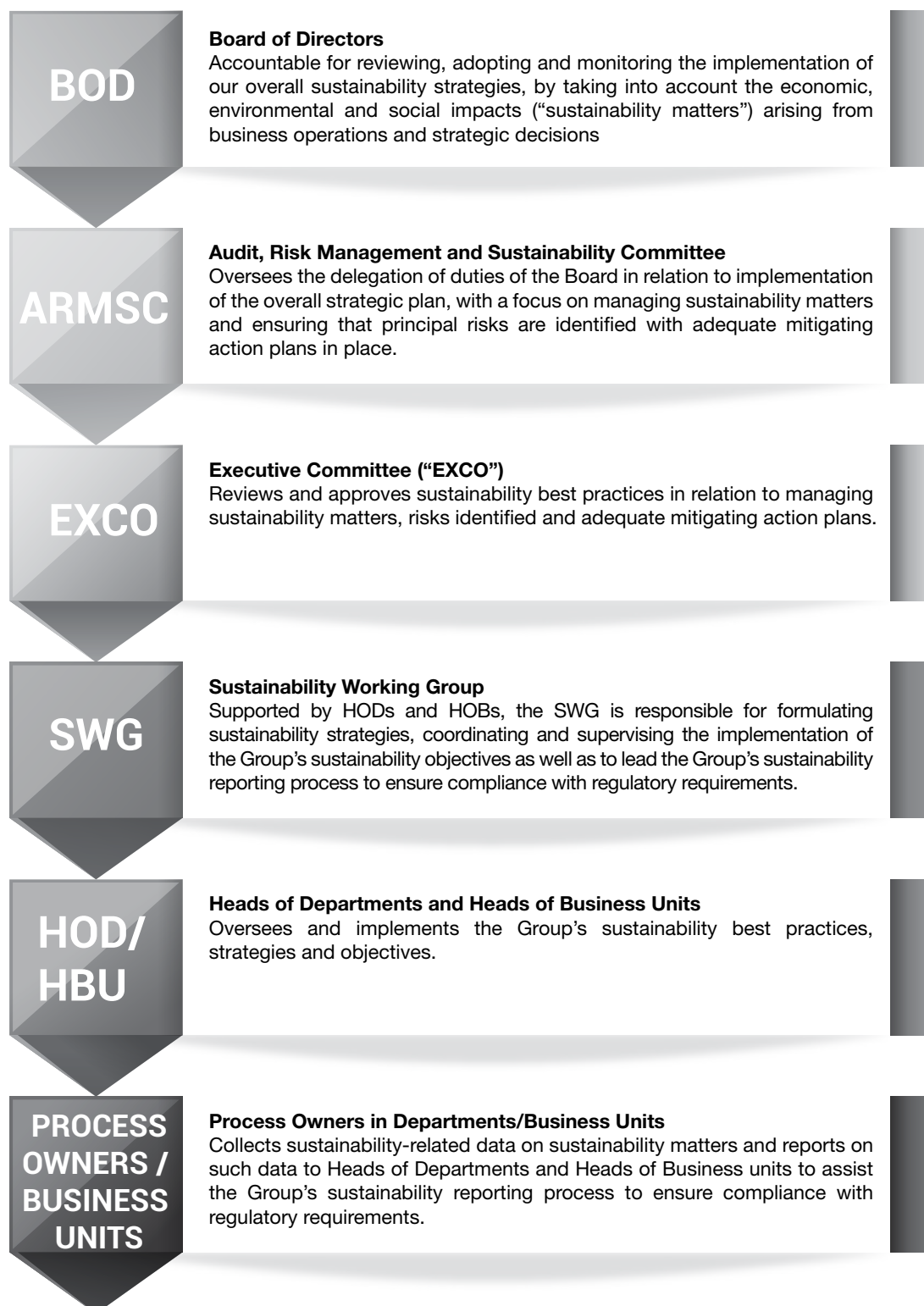
This Sustainability Report (“Report”) covers our reporting period from 1 April 2022 to 31 March 2023, for our operations in Malaysia, Myanmar, and the United Kingdom under our Energy Services and Property Development divisions based on their revenue and asset contributions to the Group, and the impact the Group has concerning the pillars of sustainability.

## Sustainability Report (Cont'd)

### B. 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 - Sustainability Governance Structure**



Sustainability Report  
(Cont'd)**Sustainability Working Group**

The SWG is headed by the Head of ESG who is supported by the Chief Executive Officers of our various subsidiaries and Heads of Departments from both the Group and subsidiary levels. The SWG oversees and implements the Group's sustainability best practices, programs, strategies and objectives to continuously improve the Group's reputation as an environmentally and socially responsible corporation operating in under good governance structures and instruments. 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.

The membership of the SWG and its responsibilities are as per **TABLE 1** below.

<b>TABLE 1 – Membership and Responsibilities of SWG</b>		
<b>MEMBERS</b>	<b>RESPONSIBILITIES OF SWG</b>	
i. Head of ESG	i. identifying key stakeholders;	v. overseeing the management of such material sustainability matters MSMs including coordinating the implementation of agreed sustainability strategies;
ii. Chief Executive Officers (Subsidiaries)	ii. engaging with identified stakeholders in order to identify and prioritise material sustainability matters for the reporting period;	vi. identifying relevant sustainability indicators associated with material sustainability matters MSMs for continuous monitoring and disclosure in our Report; and
iii. Chief Executive Officers (Jointly Controlled Companies)	iii. identifying sustainability risks and opportunities relevant and material to our Group's businesses;	vii. providing status updates to our EXCO on the management of sustainability-related matters and subsequently recommend the disclosures required for approval.
iv. Heads of Departments	iv. identifying and formulating sustainability strategies including creating awareness on the importance of sustainability practices in the short-term and induce a cultural shift towards sustainable thinking in value creation for the long-term;	

## Sustainability Report (Cont'd)

### C. Our Reporting Methodology

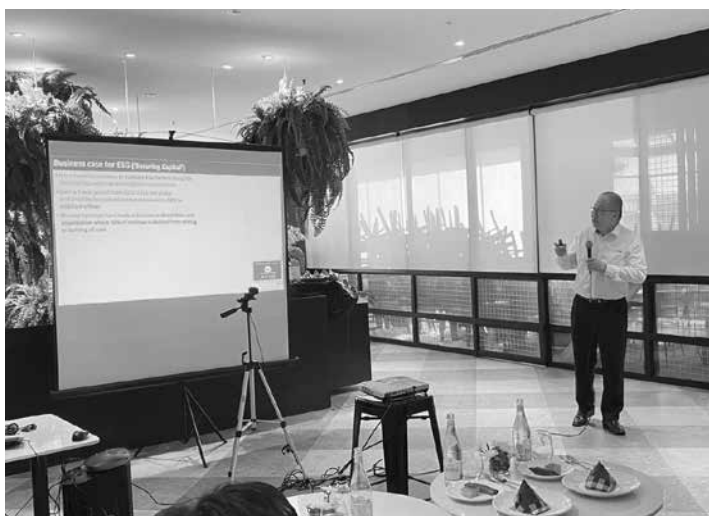
Our Report is prepared according to the requirements of:

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

During our first two years of preparing our Reports for FY 2018/19 and FY 2019/20, we made the necessary engagements with both our internal and external stakeholders to identify and prioritise our MSMs. Subsequently, in the process of preparing the Report for FY 2020/21, the SWG had proposed and was accepted by the Board, that the identified MSMs would be monitored until FY 2021/22. Subsequently, for FY 2022/23 an exercise should be conducted to identify and prioritise new sets of MSMs. This would involve identifying a broad range of potential MSMs, and subsequently through the engagement with the various stakeholders, charting these MSMs on a materiality matrix. This should fit in nicely with the redefinition of the three pillars of Sustainability as mentioned earlier, to be complied with in FY 2022/23. These new MSMs should be monitored for the next five years.

During FY 2020/21 and FY 2021/22, several corporate exercises took place that involved the departure of personnel and subsidiaries. These have resulted in a huge reduction in staff strength, from a peak of 121 in FY 2020/21 to 55 in FY 2021/22 and to 41 for the year under review, FY 2022/23. These workforce totals are inclusive of contract staff and interns. Out of the current 41, two, a permanent and contract staff, were recruited during FY 2021/22 and eight new personnel; a permanent staff, five contract staff and two interns, were recruited during FY 2022/23.

As a result of the staffing and structural reorganisation that has taken place, several key SWG members were no longer with ENRA in FY 2020/21 and FY 2021/22 and this, in turn, has had an impact on ENRA's Sustainability endeavour. Recognising this implication, the Management had invited a leading Sustainability trainer to conduct Sustainability training for the remaining staff. The objective of the training was to introduce Sustainability to those who joined during FY 2021/22 and FY 2022/23 and as a refresher to the rest of the staff and Board members. The training was conducted on 23 September 2022 and was attended by 42 people comprising 4 Directors, 2 EXCO members, 34 permanent staff and 2 interns.



In the last quarter of FY 2022/23, the Head of ESG, being the lead person for SWG, presented and discussed with ARMSC the way forward for Sustainability for FY 2022/23; particularly the Board's approval in FY 2021/22 for a new exercise to identify new MSMs in line with the re-definition of the pillars of sustainability to ESG and the changes in the workforce as a result of the various rationalisations. It was agreed that to embark on an exercise to identify new MSMs while ENRA was, at the same time, adjusting to structural and staffing changes, may not produce a true and fair picture that could be fully appreciated. The Head of ESG proposed to the exercise to be conducted during FY 2023/24 instead.

Sustainability Report  
(Cont'd)**D. Our Material Sustainability Matters****1. Our Material Sustainability Matters**

For FY 2022/23, our MSMs are rearranged and recategorised in accordance with the new definition of the three pillars of Sustainability as per **TABLE 2** below.

<b>TABLE 2 – Reclassification of MSMs under ESG</b>			
<b>Rank</b>	<b>Renamed MSM</b>	<b>Theme</b>	<b>MSM titles as previously reported (period)</b>
1	Ethics, governance and compliance	Governance	<ul style="list-style-type: none"> <li>No change since first reported in (FY 2018/19)</li> </ul>
2	Business development and expansion	Governance	<ul style="list-style-type: none"> <li>Business development and expansion (FY 2018/19)</li> <li>Tender management (FY 2019/20)</li> <li>Integration (FY 2019/20)</li> </ul>
3	Innovation and technology enablers	Governance	<ul style="list-style-type: none"> <li>Cyber security and IT infrastructure (FY 2018/19)</li> </ul>
4	Financial and project governance	Governance	<ul style="list-style-type: none"> <li>Project and job execution (FY 2021/22)</li> <li>Workplace efficiency (FY 2019/20)</li> <li>Project management (FY 2018/19)</li> </ul>
5	Proactive and happy workforce	Social	<ul style="list-style-type: none"> <li>Staff engagement (FY 2019/20)</li> <li>Employee health, safety and wellbeing (FY 2018/19)</li> <li>Employment practices (FY 2018/19)</li> <li>Human capital development (FY 2018/19)</li> </ul>
6	Energy, resources and waste management	Environment	<ul style="list-style-type: none"> <li>Waste management (FY 2018/19)</li> </ul>

For any Sustainability agenda to be meaningful, understandable and acceptable, it has to be linked to the **Sustainable Development Goals** (“**SDG**”) set by the United Nations. The SDG is a collection of seventeen interlinked objectives adopted by the United Nations as a “*shared blueprint for peace and prosperity for people and the planet, now and into the future*”. **TABLE 3** below will show how our MSMs relate to the SDGs promoted by the United Nations.

<b>TABLE 3 – How our MSMs relate to UN Sustainable Development Goals</b>			
	<b>Material Matters</b>	<b>Focus areas</b>	<b>Link to UN Sustainable Development Goals</b>
1	Ethics, governance and compliance	<ul style="list-style-type: none"> <li>Compliance Programmes</li> <li>Related party transactions</li> <li>Employee hubs</li> </ul>	<ul style="list-style-type: none"> <li>Peace, justice &amp; strong institutions</li> </ul>
2	Business development and expansion	<ul style="list-style-type: none"> <li>Business model &amp; strategy</li> </ul>	<ul style="list-style-type: none"> <li>Decent work &amp; economic growth</li> <li>Partnerships for the goals</li> </ul>
3	Project and job execution	<ul style="list-style-type: none"> <li>Monitoring for sustainable business</li> <li>Tender, quotation &amp; proposal management</li> </ul>	<ul style="list-style-type: none"> <li>Responsible consumption &amp; production</li> <li>Industry, innovation &amp; infrastructure</li> </ul>
4	Innovation and technology enablers	<ul style="list-style-type: none"> <li>IT infrastructure</li> <li>Cybersecurity</li> <li>Digital Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Good health &amp; well-being</li> <li>Quality education</li> <li>Reduced inequalities</li> </ul>
5	Proactive and happy workforce	<ul style="list-style-type: none"> <li>Employment &amp; recruitment process - diversity</li> <li>Staff health &amp; safety</li> <li>Pride in serving a socially responsible employer that serves the community</li> </ul>	<ul style="list-style-type: none"> <li>Good health &amp; well-being</li> <li>Quality education</li> <li>Reduced inequalities</li> </ul>

## Sustainability Report (Cont'd)

**TABLE 3 – How our MSMs relate to UN Sustainable Development Goals**

	Material Matters	Focus areas	Link to UN Sustainable Development Goals
6	Energy, resources and waste management	<ul style="list-style-type: none"> <li>• Energy and resource consumption</li> <li>• Monitoring waste generation</li> <li>• CO2 emission tracking</li> </ul>	<ul style="list-style-type: none"> <li>• Clean water &amp; sanitation</li> <li>• Affordable &amp; clean energy</li> <li>• Climate action</li> <li>• Life below water</li> <li>• Life on land</li> </ul>

### 2. Our MSMs' targets

Once the MSMs have been identified, target(s) must be set for each of these MSMs so that a meaningful plan can be formulated towards a more sustainable and resource-efficient future. Achieving these targets requires concerted efforts from all stakeholders and by working together to meet these targets, we can promote responsible material consumption, preserve finite resources, and minimise the environmental impact of our material choices.

Bursa Securities has recently announced that Climate Change and Greenhouse Gas ("GHG") Emissions shall soon be a mandatory consideration for the Sustainability endeavours of all listed companies in Malaysia. We have started collecting data of our operations that emit GHGs for the last few years. For the current year under review, we have put in a stronger emphasis of resource consumption and waste monitoring.

The set of targets to be achieved for our MSMs are as per **TABLE 4** below. These targets shall be adjusted accordingly once we finalise our new set of MSMs in FY 2023/24 for the next five years.

**TABLE 4 – Our MSM Targets**

Rank	Sustainability Theme	MSM in FY 2020/21 and FY 2021/22	Targets
1	<b>Governance</b> Robust and ethical framework	Ethics, governance and compliance	<ul style="list-style-type: none"> <li>• Full adherence to internal rules and regulations, including standard operating procedures &amp; policies ("SOPPs")</li> <li>• Full compliance with relevant rules and regulations with zero penalties, fines, summons, imprisonment, blacklisting and sanctions</li> <li>• Zero tolerance for fraud and corrupt practices as this poses a major risk to sustainability</li> </ul>
2	<b>Governance</b> Robust and ethical framework	Business development and expansion	<ul style="list-style-type: none"> <li>• Achieve sustainable growth in enterprise value (market value of total equity and debts less cash and cash equivalents) in line with our vision statement</li> <li>• Acquiring new business that will contribute positively to PATAMI</li> </ul>
3	<b>Governance</b> Robust and ethical framework	Innovation and technology enablers	<ul style="list-style-type: none"> <li>• Having reliable and value-for-money technologies that are stable, simple, speedy, safe and secure ("5S") to support all business processes</li> <li>• Encourage Digitalisation of business processes</li> <li>• Implementing an adaptive holistic cybersecurity and cyber resilient strategy</li> </ul>
4	<b>Governance</b> Robust and ethical framework	Financial and project governance	<ul style="list-style-type: none"> <li>• Less than 10% negative deviation in economic returns from the approved proposal by the promoters/ project owners</li> </ul>



Sustainability Report  
(Cont'd)

TABLE 4 – Our MSM Targets			
Rank	Sustainability Theme	MSM in FY 2020/21 and FY 2021/22	Targets
5	<b>Social</b> Empowering our people	Proactive and happy workforce	<ul style="list-style-type: none"> <li>• Encourage and promote diversity within the organisation</li> <li>• Recognising and rewarding talent management</li> <li>• 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</li> <li>• Building a progressive and innovative workforce that drives growth and fosters fulfilling careers</li> </ul>
6	<b>Environment</b> Promote Resource Efficiency	Energy, resources and waste management	<ul style="list-style-type: none"> <li>• Manage waste with the aim to reduce waste by 50% by 2030</li> <li>• Reduce GHG emissions by 50% by 2030</li> <li>• Recognising renewable energy sources within supply and value chain</li> <li>• Increase energy and resource efficiency across all business operations for a sustainable ecosystem</li> <li>• Promote products and practices that help combat pollution and climate-related risks</li> </ul>

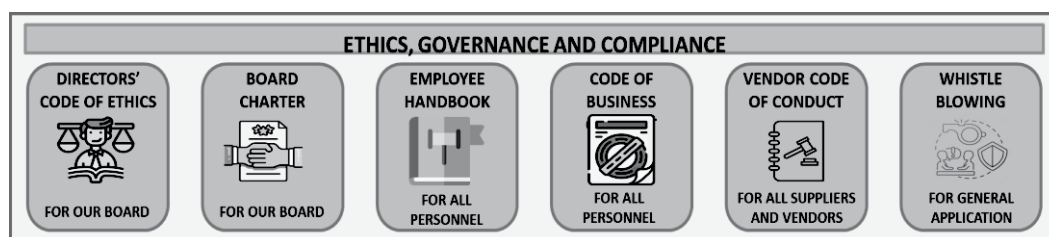
**E. Managing our MSMs****1. Ethics, governance and compliance (Governance)**

When evaluating a company, one would often include the review of the company's ethics, governance and compliance. Companies with strong ethical values often would have good governance structures and instruments in place and in turn would have strong compliance with both internal and external policies, procedures, rules and legislation. There is enough evidence around that shows a strong and successful business (i.e., a sustainable business), is conducted in a meritocratic, transparent, legitimate and accessible manner without compromising its other corporate responsibilities to ensure its continued success and longevity.

ENRA is firmly committed to conducting our businesses with the highest level of integrity and in full compliance with applicable laws, rules and regulations. This commitment is evident from our Materiality Matrix over the years since we first embarked on our Sustainability journey in FY 2017/18 when we published our Sustainability Note. Ethics, Governance and Compliance have always scored amongst the highest.

Our Corporate Governance Overview Statement, Statement of Risk Management and Internal Control SORMIC and Audit, Risk Management and Sustainability 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 3** was implemented to ensure that we meet this objective:

**ILLUSTRATION 3**



## Sustainability Report (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 having ethical practices and codes of conduct throughout our business relationship. We perform periodic reviews 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 shared values of being Ethical, Noble, Reliable and Accountable.

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 to eliminate or reduce exposure to risks faced in our businesses.

### a. Employee Hubs

We have seen enough evidence of companies being dealt with severe repercussions for inappropriate conduct. That is why it is imperative that in line with our 'Ethical' shared value, we have documents and enablers that are introduced and revised from time to time to ensure that the right thing is done every time, even when nobody is watching. These documents and enablers are stored on the Employee Hubs and all employees are expected to be aware of them. These include but are not limited to:

#### i. Codes of conduct

- vendors
- business
- directors

#### ii. Corporate policies

- corporate drug and alcohol policy
- corporate quality, health, safety and environment
- corporate smoking policy
- corporate stop work policy

#### iii. Departmental policies & procedures

- Group Finance
- Group Commercial
- Group Legal
- Group Cost Optimisation & Procurement
- Group IT
- Group Human Capital & Administration
- Risk Management
- Quality, Health, Safety and Environment ("QHSE")
- Group Internal Audit
- Company Secretary

### b. Anti-Corruption

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

Even before the policy was approved by our Board, effective from 31 March 2020, at every six-month interval, 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.

Subsequently, the Group 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-à-vis giving and receiving gifts and hospitality. This guideline is to be read together with the Anti-Corruption Policy & Procedure and applies to each Director, employee, and person associated with the Group.

Sustainability Report  
(Cont'd)

## c. 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 conduct and ensure such incidents are handled transparently and confidentially.

Throughout FY 2022/23, the Group did not receive any reports or complaints.

## d. Compliance Programmes

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

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

## i. QHSE compliance activities

Continuing from last year, the central focus of our in-house QHSE Department was towards Ratu ENRA, our chemical tanker currently sailing under the Malaysian flag. Ratu ENRA is owned under our oil & gas subsidiary ENRA SPM.

On top of the various Group-level compliance instruments there are also instruments specific for the operations of Ratu ENRA, among those include:

- ENRA Permit-to-Work ("PTW") System

A PTW system is a formal documented system used to control certain types of work. It is an integral part of a safe system of work and is crucial to properly manage the wide range of activities which can take place close together in a small space. Ratu ENRA developed its own PTW system which was suitable for its operation and maintenance activities. All activities and jobs that need to be done on Ratu ENRA must apply the PTW system. To ensure all PTW assignees understand the PTW system and standardisation of practice, all crew need to undergo the PTW training and pass the PTW assessment before carrying out any work.

A safe system of work permits is an effective vehicle for communicating critical safety information. The process limits the impact of human error, ensures there are no surprise hazards on the job and helps coordinate risk across the entire job site.



## Sustainability Report (Cont'd)

- ISO 9001:2015 Quality Management System

ENRA SPM had undergone a surveillance audit by its certification body, TUV Nord on 11 January 2023 which covered the following scope:

- Provision of project management of engineering, procurement, fabrication, and assembly, hook up & commissioning, removal and refurbishment of SPM systems for oil export terminal facilities
- Provision of leasing, periodical maintenance, supply of spare parts and equipment replacement of SPM systems

The audit team conducted a process-based audit, focusing on significant aspects, risks and objectives require by the standard.

Upon completion of the certification audit, ESPM was granted the continuation of its certification with zero non-compliance. The certification was accredited by the UK Accreditation Body (UKAS) and the Department of Standard (DSM) Malaysia.

- ii. IT infrastructure governance and control audit

During the year under review, ENRA had engaged BDO to conduct an IT Governance and Control audit, specifically on the accounting and financial system used by ENRA, to identify business risks and perform system checks and balances. This audit report had been tabled to the ARMSC by BDO and subsequently presented to and accepted by the Board.

Based on the findings of the audit, several recommendations were made to bring our IT systems and infrastructure on par with the industry standard and best practices. Some of these recommendations have been accepted and adopted while some are still under consideration by GIT.

- iii. Regulatory certification for our property development activities

Our property development subsidiary, QHomes, employs the use of industrial building systems ("IBS") in their development project in Dengkil, Selangor. The use of these systems may be subject to specific building codes, safety regulations, and environmental standards. Therefore, it is important to ensure that the IBS products that we use comply with these regulations and standards to ensure the safety of workers and the public, as well as protect the environment. As an example, **ILLUSTRATION 4** below shows two separate certificates for two separate products issued by Bomba to certify the fire ratings of the products used for our property development project in Dengkil.



## Sustainability Report (Cont'd)

In relation to the targets set for this MSM we are pleased to report that for FY 2022/23:

- a. We were in full adherence to internal rules and regulations, including SOPPs.
- b. Except for our IT infrastructure and systems, we were in full compliance with relevant rules and regulations with zero penalties, fines, summons, imprisonment, blacklisting and sanctions. The audit conducted on our IT infrastructure had recommended some improvements which we are either evaluating or are in the process of implementation.
- c. Our zero tolerance on corruption, fraud and corrupt practice has ensured that no such activities had taken place during the year under review.

### 2. Business development and expansion (Governance)

The Group is determined to not just be a going concern entity, but one that thrives. It is constantly on the lookout for growth and expansion opportunities. We are dedicated to fostering sustainable growth and expansion by actively cultivating a positive social presence and minimising negative environmental impacts as we pursue our goals. To achieve this, we have identified two key strategies: organic growth and accelerated learning through collaborative operations with experienced partners, especially in the MRO and energy logistic segments. Our focus is on cultivating organic growth by enhancing our capabilities and expanding our operations in new prospects and the business that we are already in. Additionally, we recognise the immense value of collaborating with established industry players, who not only bring a wealth of experience and a proven track record but also provide us with opportunities for synergy and knowledge exchange. By combining these approaches, we are confident in our ability to achieve sustainable growth while maintaining a strong commitment to environmental and social responsibility.

For the MRO and energy logistics segments we are looking into the following:

#### a. Market penetration

We aim to penetrate the existing market further through increasing market share, targeting new customer segments and enhancing brand recognition. Our subsidiary, ENRA Energy Solutions Sdn Bhd, had rebranded itself to EES, to enhance market awareness of ENRA's presence and its ability to provide 360-degree solutions with regards to MRO services.

The team from EES has embarked on an aggressive marketing campaigns and customer engagement initiatives to capture a larger share of the market.

#### b. Product and service development

The Group, via its operating companies in both MRO and energy logistics is determined to offer new innovative products and services to its target customers as follows:

- The MRO division has set up its own service centre and are putting together a strong technical team to ensure better quality services and profit margins.
- The energy logistic division has secured a five plus five years contract for the bareboat chartering business, moving away from its previous business of providing FSO services. Although the margin will be slightly lower in terms of quantum, the tenure is longer and the percentage margin will be higher, while also providing opportunities to earn higher rates should the bareboat chartering market move upwards. Based on the current brent price, the industry's future looks promising. This contract will enable the company's asset to be deployed outside of South East Asia and will indirectly improve recognition of the Group to other parts of the globe.

#### c. Strategic partnership and alliances

ENRA is also taking an approach of forming strategic partnerships and alliances to support its organic growth initiative. For example, our MRO division has linked up with a local specialised service provider to offer wider range of services to its prospective customers.

## Sustainability Report (Cont'd)

### d. Employee development and empowerment

To support its entry into the MRO business, the Group focused on developing its best asset, which is the right people to enable market expansion, products/services development and to improve customer retention.

Groupwide, there are various initiatives such as cross-functional teams, idea generating programs, and internal promotion opportunities that encourage employee contribution to the company's growth objectives.

### e. Financial performance and investment

Our growth strategies, as outlined earlier, are fully aligned with our financial performance and investment decisions, supported by optimal allocation of available resources. We monitor each investment on a periodic basis, ensuring that the intended returns are attainable. This approach allows us to maintain a careful balance between expansion and fiscal responsibility, safeguarding the company's long-term financial health and sustainability. By continuously evaluating and adjusting our investment portfolio, we hope to be agile and responsive to market dynamics, maximising our potential for growth while mitigating potential risks. Our commitment to prudent financial management empowers us to capitalise on opportunities while safeguarding the interests of our stakeholders.

The Group is aware of the need to take necessary steps to ensure its activities continue to generate ample profits, maintain an optimum level of liquidity and ensure stability. In approaching potential growth or expansion, the business model and strategy that would be used must ensure the ability to:

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

The broad parameters above were set to steer the Group towards its economic targets. The failure to achieve any of these targets may pose a threat to the Group's sustainability. We have identified the following economic targets that need to be achieved:

#### a. Sustainable profitability

Sustainable profitability is a fundamental priority for any company. It demonstrates the commitment to consistently generate profits and achieving strong financial performance over the long term. For ENRA, this means establishing a proven track record of consistent earnings and robust financial results over an extended period.

To ensure that our profitability is solely reflective of operational performance, we have taken proactive measures to impair all investments in non-active companies during FY 2022/23, adhering to the guidelines set forth in MFRS 136, *Impairment of Assets*.

Furthermore, as a key component of our strategy for sustainable profitability, we have established a minimum target for return on investment (ROI) of at least 20%. This serves as our guiding principle when assessing and making investment decisions, ensuring that our capital is strategically deployed in ventures with the potential to deliver strong returns and contribute significantly to our long-term financial success. By aligning our efforts with this target, we remain focused on maximising value for our stakeholders while upholding our commitment to responsible and profitable business practices.

Sustainability Report  
(Cont'd)

## b. Shareholder value creation

Companies aim to create value to their shareholders by increasing the value of their shares and providing attractive return on investment. We had consistently declared and paid dividends since FY 2015/16 when profits and cashflows permitted. However, there were years that the dividend was not prioritised in order to give way for a better investment, which was ultimately intended to improve the shareholders' benefits.

## c. Market Leadership

We strive to achieve market leadership for our products and services. This aspiration encompasses various facets, including capturing the largest market share, being recognised as an industry innovator, and establishing a compelling brand presence that deeply resonates with our customers.

In the past, we successfully attained market leadership in the specialty chemical segment through our ownership of ENRA Kimia Sdn Bhd. This subsidiary's exceptional performance allowed us to divest it at an impressive return on equity (ROE) of 345% in September 2021. This achievement highlighted our ability to create and nurture market leaders, delivering substantial value to our stakeholders.

Currently, our focus lies in replicating this success with our MRO division. Over the next five years, we are dedicated to building this division into another market leader within the industry.

## d. Operational efficiency

This involve optimising operations, reducing costs and improving productivity. We continuously focus on streamlining processes, implementing effective supply chain management, adopting technology solutions and continuously improving operational performance. For example, our subsidiary EES is currently aggressively securing exclusive distributorships in Malaysia for parts manufactured and sourced from abroad.

## e. Strong corporate governance

As a public listed company, it is a natural aim for us to maintain strong corporate governance framework, which includes transparent and ethical practices, effective risk management and responsible decision making. Compliance with regulatory requirements and industry standards is crucial for building trust with investor and stakeholders.

These four values are cemented into our name as follows;

**E**thical  
**N**oble  
**R**eliable  
**A**ccountable

## f. Innovation and adaptability

ENRA recognises the importance of innovation and adaptability. It is a crucial goal to achieve in order to be successful in today's dynamic environment. To put into perspective, ENRA was among one of the companies early on who took the initiative to introduce WFH as a safety measure, when COVID-19 cases were beginning to increase in Malaysia. This was part of our Business Continuity Plan that begun nearly a month before the MCO was enforced by the government.

During the MCO we saw the opportunity to optimise our office space and took action by reducing the number of offices from three to just one office in Publika at Hartamas to effectively control the cost at the optimum level. ENRA had also offered MSS to its staff to bring the company to a right size to operate.



## Sustainability Report (Cont'd)

### 3. Innovation and technology enablers (Governance)

#### a. Cybersecurity and IT Infrastructure

Work From Home (“WFH”) has become a new way of doing business since the COVID-19 pandemic which started in March 2020. Our GIT was nimble enough to ensure that our IT infrastructure and systems were able to meet with the change in the working environment and enable us to work and interact either from home or other off-site locations.

The Movement Control Order (“MCO”) resulting from the pandemic has since been lifted but ENRA still allows its staff the flexibility to work under the WFH environment. The resilience that has been incorporated into the IT infrastructure has continued to allow this flexibility.

Our On-Premise Services run on Microsoft Windows Server Hyper-V that hosts all applications servers and services on-premise such as BASSnet System, SQL Accounting, Active Directory, File Server and Print Server.

Based on the above, the following is how we enabled our operations and staff to operate and work remotely:

#### i. SSL VPN (Secure Socket Layer Virtual Private Network)

This service will enable our staff to connect their computer at home to the office infrastructure so that they can run the systems located in the office infrastructure such as the accounting system, centralised storage (before migration), BASSnet system and office printer.

#### ii. Microsoft Teams

This has been adopted as a communication channel for the staff to meet with internal staff or with outsiders. Not just for meetings, Microsoft Teams is also an excellent tool for reviewing documents online, editing the documents with other members of the group, and as a storage place to keep the working documents and make them public to the member of the group.

During the MCO period of the COVID-19 pandemic, this had been an excellent communication channel used for staff interactions which include:

- Weekly Group-wide morning exercise/fitness routines
- Virtual breakfast meet-up

#### iii. Cloud e-mail

We have successfully migrated our e-mail from MDaemon (on-premises) to Microsoft 365 (cloud). The connection is more stable compared to on-premises solutions which are limited by Internet bandwidth. As a result, some staff do not require VPN to access their e-mail, and this reduces the traffic load on the infrastructure.

#### iv. Remote assistance

ENRA subscribes to paid remote-control apps for the Group IT to connect and troubleshoot staff computers remotely in cases of any IT errors or when IT support is required. This remote assistant capability has greatly increased the IT systems and infrastructure efficiency and has proven to provide users with quick response time and resolution times. This system has been highly appreciated by our staff, especially during the MCO period.

#### v. Cloud storage solutions

The completion of the migration to Microsoft One Drive and Microsoft SharePoint eliminates the difficulties faced by the staff to use a VPN connection to access the traditional storage solutions. Moving to the cloud will free network traffic congestion for ENRA's on-premises server and at the same time improve internet speed.

Sustainability Report  
(Cont'd)

- Microsoft One Drive  
ENRA shifted over the traditional server-based shared folder to Microsoft One Drive Solutions.
- Microsoft SharePoint  
Introduced Microsoft SharePoint Collaboration for staff and department working portal.

## vi. Cloud antivirus

ENRA continued to subscribe to PANDA ADAPTIVE 360 Antivirus for all its computers to protect from spam, virus and malware. The installation of the antivirus software is done remotely.

## b. IT policy and procedures

Some of our IT policies and procedures that are currently in place include:

## i. New joiner policy

Group HCA will notify Group IT at least two weeks before the start date of new staff to prepare a new computer, e-mail, One Drive account and IT-related items.

The same policy applies when there is a separation of staff.

- ii. Centralised procurement policy for the entire Group to standardise equipment and systems brand, model, solutions, etc.
- iii. Implemented Group Policy Object (GPO) on all company computers to control the computer settings.
- iv. No users/staff can install software without the knowledge of Group IT. Access to the computer is limited with an Administrator Password.

## c. Cyber security

The cyber security features and controls include on-premises data privacy and protection, internet & network security, and backup & disaster recovery of ENRA's systems and infrastructure. These are protected with the expertise of our Group IT which oversees all of our IT assets across companies in the Group and multiple locations including Myanmar. The control and monitoring processes include:

- i. Strict adherence to Group IT standard operating procedures and manual;
- ii. Multiple-interval daily data backups;
- iii. Interconnecting all branches' office networking & infrastructure with headquarters for remote monitoring and technical support;
- iv. Standardising the use of Microsoft Windows operating systems, and business-approved type of applications such as Microsoft Teams, BASSnet CMMS, TeamViewer and SQL Accounting;
- v. Standardising the use of laptops and desktops within the Group;
- vi. Restriction of access to certain internet sites that are susceptible to scams, phishing, cyber-attacks and security breaches;
- vii. Prompt alerts and warnings from Group IT on suspicious e-mails;
- viii. Segregation of WI-FI access for visitors that require registration to facilitate monitoring;
- ix. Application of up-to-date virus protection programs;



## Sustainability Report (Cont'd)

- x. Logical access control via logins and passwords;
  - xi. Physical access controls via locks, alarms, and CCTVs;
  - xii. Disaster recovery plan with secure offsite location;
  - xiii. Set up and configured our offshore vessel, Ratu ENRA's networking system to connect to the Group's system. This involved connecting the onboard systems to the HQ server for monitoring, troubleshooting, data transfer, e-mail and system backup purposes. Remote surveillance via stable, reliable and fast internet and satellite connection continues to be made possible.
- d. CCTV onboard Ratu ENRA

ENRA has linked the CCTV onboard its vessel, Ratu ENRA, with the shore to enable the management to view the vessel live at any time and day. There are 19 cables installed onboard which link the VSAT to the shore.

None of the cameras were installed in Zone Zero.

- e. Industrial building system

During FY 2022/23 our property development subsidiary, QHomes had started using IBS for our new development site in Dengkil, Selangor.

An IBS refers to a prefabricated construction approach used in the design and construction of buildings. These systems typically involve the use of pre-engineered building components, such as structural steel framing, roofing and wall panels, and other materials that are manufactured off-site and assembled on-site.

One of the main advantages of IBSs is that they can significantly reduce construction time and costs. Since many of the components are pre-manufactured, the construction process can be streamlined and standardised, which can lead to faster and more efficient construction.

In addition to cost and time savings, IBSs can also offer other benefits such as improved energy efficiency, greater durability, and improved safety. For example, some systems may incorporate insulation and other features that help to reduce energy consumption, while others may be designed to withstand severe weather conditions.

We are aware of some of the advantages and disadvantages of the IBS approach to construction as shown by **TABLE 5** below. However, we believe the advantages outweigh the disadvantages.

TABLE 5 – Advantages & Disadvantages of IBS	
ADVANTAGES	DISADVANTAGES
i. Faster construction times due to the use of pre-engineered building components	i. Limited customisation options compared to conventional methods
ii. Lower construction costs compared to traditional construction methods	ii. Potential for higher transportation costs for prefabricated components
iii. Standardised designs and components for improved quality control	iii. Materials used in industrial building systems may have high embodied energy and carbon emissions
iv. Energy-efficient designs can help reduce energy consumption and costs	iv. Limited design flexibility for unique or complex building projects
v. Reduced waste generation during construction	v. May require specialised contractors or expertise to assemble and install components
vi. Improved safety and durability due to the use of high-quality materials and engineering	
vii. Flexible designs that can accommodate changing needs of businesses and industries	

Sustainability Report  
(Cont'd)

## f. Digital Marketing

The COVID-19 pandemic had curtailed all public meetings, public engagement, roadshows and exhibitions, and the like. Our property development subsidiary, QHomes, had to quickly adapt to this new norm by adopting digitalised means for their marketing and sales strategies, among which included:

- i. virtual meetings via various virtual meeting platforms;
- ii. digitalised marketing instruments such as flyers and brochures;
- iii. virtual gallery; and
- iv. social media platforms (i.e., Facebook and Instagram).

The digital marketing activities we embarked on during the pandemic continue to remain an effective tool today.

Achieving a delicate balance between capital expenditure, user experience and capability, and operational efficiency is an ongoing pursuit that needs to be done carefully. Properly allocating capital expenditure to technology investments ensures the organisation stays technologically competitive while also considering that the financial impact. We believe we have attained a reasonable balance such that our IT infrastructure and systems work smoothly throughout the financial year.

With regards to the IT technology currently in place, and with the recommendations from the audit, we believe we have a reliable and value for money technologies that meet the 5S set in our target for this MSM. We also believe that our cybersecurity is adequate and stable, and we constantly put them through regular reviews for improvements. The technology we adopted for our development arm, QHomes meanwhile, is proven technology with well understood risks.

In other words, we are confident that we are well within the targets previously stated in **TABLE 4**.

**4. Financial and project governance (Governance)**

Our Group Finance ("GF") is very clear about our vision and mission. GF has an effective organisation structure and a dedicated management team who are qualified with relevant business and technical experience. There are finance policies, standards and procedures in place for the department to operate and are periodically updated to reflect and enhance operational efficiency. ENRA has also put in place the Limit of Authority Policy where the transactional approval for GF is highly centralised at the Executive Director and Chief Financial Officer levels. In addition, there is assurance provided by both internal and external audits in financial control and reporting review.

Meetings with the EXCO are the key monitoring process of all Group departments and subsidiaries. There are Bi-weekly Group Management Committee ("GMC") Meetings where comprehensive information is provided to Management for monitoring and Monthly Performance Review ("MPR") meetings on performance against strategic plans covering all key financial, operational, oil & gas and property venture indicators.

Detailed budgeting processes are implemented in ENRA 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 any significant variances.

## a. Rights of minority shareholders and institutional shareholders

We always exercise due care to ensure that the rights of minority shareholders and institutional shareholders are adequately protected and our actions are not detrimental to their interests. This is in line with our corporate values as a responsible corporate entity. The Board understands its fiduciary duties which comprise of duty of care (diligent and conscientious), duty of candour (open, honest and frank) and duty of loyalty (to good principles and codes).

## Sustainability Report (Cont'd)

TABLE 6 – Related parties' transaction				
Type of transaction	FYE 31 March 2020 RM'000	FYE 31 March 2021 RM'000	FYE 31 March 2022 RM'000	FYE 31 March 2023 RM'000
Routine operational transactions				
• outflow of cash	(11,236)	(11,407)	11,523	(5,883)
• inflow of cash	265	626	1,047	66
Purchase of assets	(11,891)	-	-	-

All transactions with related parties during the reporting period under review are supported by definitive agreements with terms and conditions that are on an arms' length basis and usual commercial terms. Related party transactions entered into by the Group for this financial year and the previous three financial years are set out as per **TABLE 6** above.

### b. Monitoring for sustainable business

The Group needs to manage its projects and jobs efficiently from the point of inception right through the planning, implementation, completion and post-completion analysis (to address lessons learnt and implement measures and practices for future exercises).

The Group places importance on the following:

- i. Thoroughness in due diligence;
- ii. Timeliness of execution and completion within assigned budgets;
- iii. Implementation of contingency plans;
- iv. Sensitivity and adaptability to changes in market conditions that would require quick intervention or modification to the execution plan;
- v. Proper monitoring of progress taking into account directives and requirements of the Board and Senior Management; and
- vi. Balancing progress against financial considerations.

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

#### i. Monthly Performance Review

The MPR takes place once a month and is attended by the head of each subsidiary, who is accompanied by the subsidiary's head of finance, and officers to key projects being undertaken. Each subsidiary presents their performance results to the EXCO and a review of the financial performance, top achievements and areas for improvement are discussed.

Comparisons between actual and budgeted numbers for the month and year-to-date are reviewed. Projections for the year compared to the approved annual budget, and any remedial plans to achieve or outperform the budget would be discussed as well.

#### ii. Group Management Committee

This meeting is usually conducted on the Mondays of the first and third weeks of the month, focusing more on operational updates and business development strategies. Participants are the key management personnel of the Group including the EXCO. The participants will brainstorm practical solutions to support each other during this session.

#### iii. EXCO Activity

The EXCO is consistently in communication with each other and the Middle to Senior Management are given a direct channel to engage the EXCO for support and decision-making. Communication tools such as Microsoft Teams, direct messaging and conference calls are regularly utilised to ensure smooth and efficient interaction between the EXCO and Management.

Sustainability Report  
(Cont'd)

## c. Tender, quotation and proposal management

The preparation and timely management of tenders, quotations and proposals to meet prospective clients' requirements whilst taking into account the right pricing 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 when bidding for job project opportunities.

## i. General process and considerations

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

If the opportunity is viable, Group Commercial or the head of the subsidiary overseeing it shall formally propose and seek EXCO's approval to pursue the opportunity further.

Subject to prospective clients' requirements and approvals, the involvement of potential business partners and the expertise, financial position and track record that they contribute, are considered for such opportunities.

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

- Character – reputation, integrity, ability and willingness to contribute financially;
- Credentials – proven track record;
- Capabilities – present and potential skillsets; and
- Connections – for referral and to generate recurring revenue.

## d. Ensuring Project Continuity

## i. PCML contract at Yetagun, Myanmar

Our ship Ratu ENRA was served with a Writ of Summons in Action in Rem and Warrant of Arrest by PTCMS and was held on Port Dickson water for a period of more than three months from 27 May 2022 to 5 September 2022 due to an on-going arbitration. ENRA opted for an out-of-court settlement with PT CMS due to the urgency to deploy Ratu ENRA to the secured project with GPM in ensuring continuous income flow to the Group.

The net impact from the settlement is as follows;

- Total impact on the profit and loss from the settlement – RM10.15 million.
- Total revenue for the nine-month contract of approximately RM30.13mil (US\$24K @ (183+96) @ MYR:USD of RM4.5) from the contract with GPM.
- New BBC contract with 7Seas, a company incorporated in the United Arab Emirates that could generate revenue at a minimum of approximately RM41.0 mil over five years with a mutual option to extend it further for another five years. The contract period will commence right after the contract with GPM ends.

## Sustainability Report (Cont'd)

### ii. FSO facilities

Our FSO facilities business is currently deploying its assets - Ratu ENRA and a SPM system for a nine-month contract which will tentatively end in July 2023. Ratu ENRA will subsequently be deployed for a bareboat charter business as the company has secured a five + five years contract (optional with mutual agreement) with a company based in United Arab Emirates. Given the current elevated oil prices and prevailing geopolitical environment, the logistics of oil, gas and related cargo for storage or transport purposes is anticipated to be in high demand, which bodes well for this contract.

### iii. MRO services

MRO services serve a wide range of end users such as the oil & gas, marine, agriculture, industrial and other relevant and applicable industries. Currently, our Group provides MRO services to oil & gas customers to, amongst others, maintain and preserve diesel engines and generators (including their ancillary equipment).

The company has aggressively embarked on marketing initiatives focusing on the MRO of diesel engines and its relevant equipment in both government and commercial sectors. In preparation of the upcoming tenders, the company has taken strides in recruiting skilled, qualified technicians and investing in its first service centre in Ipoh. As part of expansion to serve the customers better, the company has also embarked on exploring strategic partnerships in Terengganu and Labuan. To ensure sustainable supply chain management and to address obsolescence issues commonly occurring among aged capital assets, the company has established a wide network of globally independent companies to supply parts and furnish technical support.

### iv. Property Division

In the face of an uncertain external environment, the property market, domestically and abroad, is likely to continue facing headwinds in the coming year. Our Malaysian property efforts are not spared from the prevailing market challenges. Taman Iram Perdana, our fully-sold first project, is set to hand over keys to its new owners in Q1 FY 2023/24, marking a milestone for our Affordable Homes business. However, having experienced a significant increase in building costs and observing the impact of the recent overnight policy rate (OPR) increase on our buyers, we are reevaluating the product design, pricing and marketing strategy for the other projects we have in the pipeline.

Similar challenges have also impacted the project in Rugby, UK and the team has been working on refining the sales strategy and project feasibility. Considering the property outlook and the current market conditions, our primary focus is on successfully selling all of our products in a timely manner.

Sustainability Report  
(Cont'd)

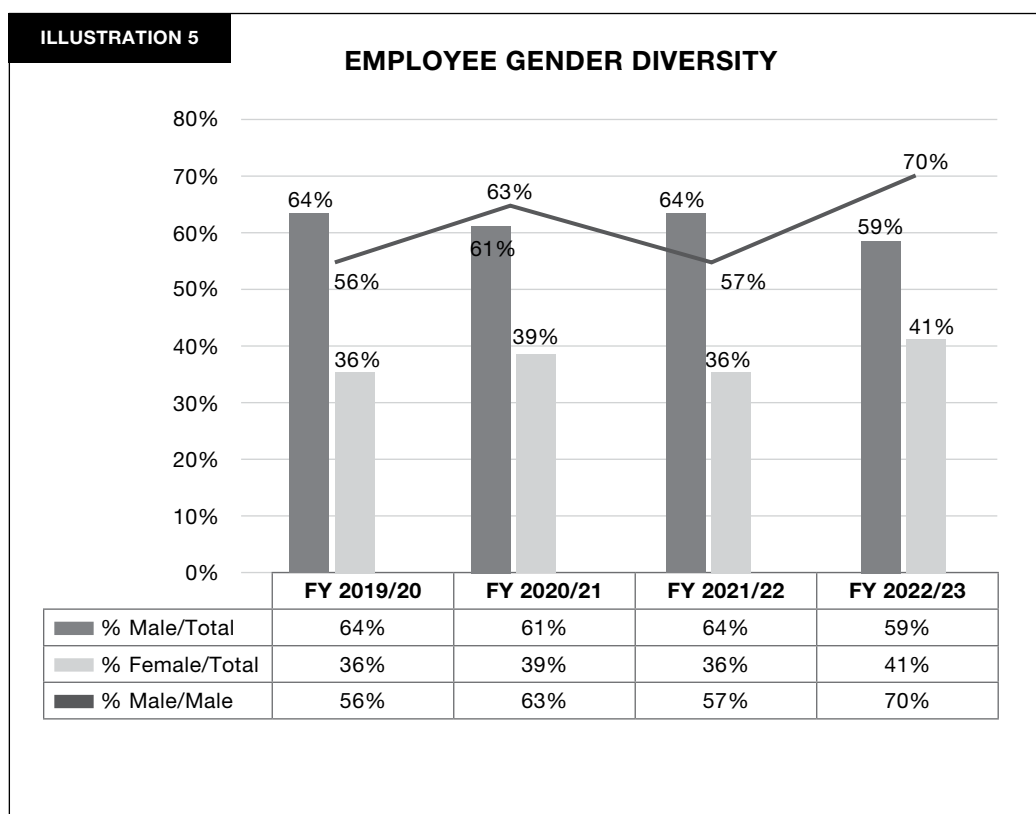
## 5. Proactive and happy workforce (Social)

## a. Diversity

At ENRA we foster and inculcate a culture of inclusiveness at the work place. Among the policies that we have in place is a Diversity Policy for manpower. This policy was established by the Board at the onset of ENRA's formation. Our Board acknowledges the advantages of diversity in ethnicity, age, competency, cultural background and experiences, amongst others. Some of our diversity data are as follows:

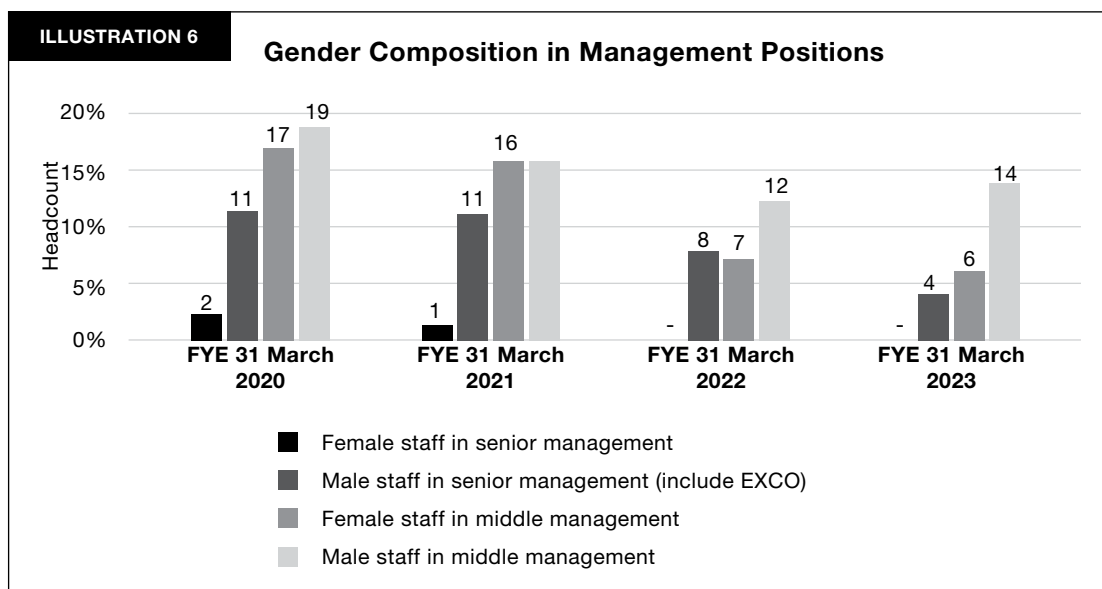
## i. Gender diversity

It is clear from **ILLUSTRATION 5** below that our male staff number has been higher than their female counterparts. Over the past four years the percentage of female staff over the total staff hovered between 41% at the highest (FY 2022/23) and 36% at the lowest (FY 2019/20 and FY 2021/22), thus giving a four-year average of 38%. The percentage of female staff over their male counterpart from FY 2019/20 to FY 2022/23 were 56%, 63%, 57% and 70%; respectively. This gives a four-year average of 61.5%. This trend is however not by design but rather due to the nature of the recruitment market. Gender has never been a criterion in our recruitment process. Our top five recruitment selection criteria is always the skill & abilities, knowledge, experience, qualification and work-related qualities.



## Sustainability Report (Cont'd)

**ILLUSTRATION 6** and **TABLE 7** below shows the gender distribution among the managerial positions. The percentage of female staff occupying managerial positions has been much lower than their male counterpart. They stood at 39% in in FY 2019/20 and FY 2020/21 and had subsequently reduced to 25% in FY 2022/23. The percentage of their male counterpart percentage, on the other hand, rose from 61% to 75% during the corresponding periods.



**TABLE 7 - Gender Composition in Managerial Positions**

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Percentage over total managerial positions</b>				
Female Staff in Senior Management	4%	2%	0%	0%
Female Staff in Middle Management	35%	36%	26%	25%
Female Staff in Managerial Positions	39%	39%	26%	25%
Male Staff in Senior Management	22%	25%	30%	17%
Male Staff in Middle Management	39%	36%	44%	58%
Male Staff in Managerial Positions	61%	61%	74%	75%
<b>Percentage over different managerial levels</b>				
<b>Senior Management</b>				
Female Staff in Senior Management	15%	8%	0%	0%
Male Staff in Senior Management	85%	92%	100%	100%
<b>Middle Management</b>				
Female Staff in Middle Management	47%	50%	37%	30%
Male Staff in Middle Management	53%	50%	63%	70%

The number of female staff in the senior management has been very low over the years, with just two filling up the senior managerial positions in FY 2019/20 out of thirteen positions. In terms of percentage, these two constituted 4% of all managerial positions and 15% of thirteen senior managerial positions. Subsequent to the staff rationalisation and divestment exercises that had taken place, the number of senior managerial positions had been reduced to just four positions with all positions being filled up by male staff.



Sustainability Report  
(Cont'd)

At middle managerial level, the gap between male and female started with almost equal percentage for FY 2019/20 with 35% of total female and 39% of total male employees occupying managerial positions. Subsequent to the rationalisation and divestment exercises that have taken place the number of male staff occupying middle management positions in FY 2022/23 became more than double that of female staff; 58% of total male compared to 25% of total female employees currently.

Among the middle managerial positions there has been fair distribution between female and male middle managers, with 47% female against 53% male in FY 2019/20 and 50% each in the subsequent year. However, the gap began widening from FY 2021/22. Female middle managers percentage dropped to 37% and subsequently to 30% in FY 2022/23.

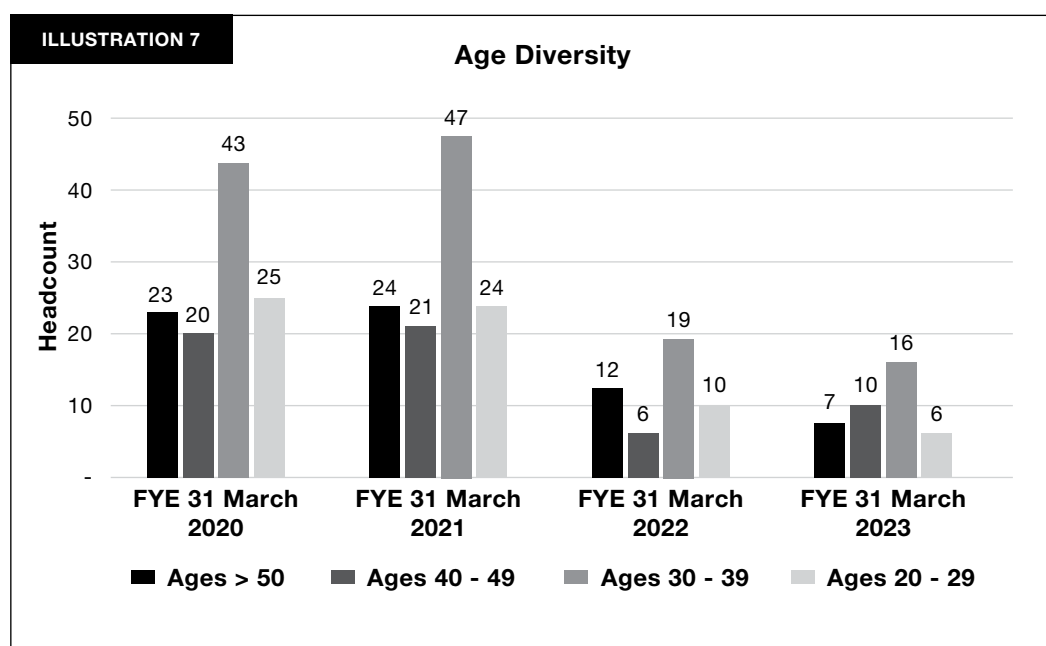
This gender composition imbalance, especially among managerial positions, is not by design. This is mainly due to the nature of the employment market. However, recognising the state of the gender diversity shown above, we shall consider to balance the gender diversity during future recruitment vis-à-vis our existing recruitment criteria: the top five being skill & abilities, knowledge, experience, qualification and work-related qualities.

ii. Age diversity

For this analysis, the staff are categorised into four age groups;

- 20 – 29
- 30 – 39
- 40 – 49
- 50 and above

From **ILLUSTRATION 7** below we can see that the largest age group of our workforce over the four years has always been the 30 – 39 years group. They constitute an average of 40% of our total workforce. At this age, they should have gained enough work-related insights and experiences and yet, still have the ability absorb more which allows the potential for them to bring new ideas to the table. Their group size is almost as big as those of the 40s and above 50s age groups combined; at 19% and 21% respectively.



The percentage breakdowns amongst the other age groups; above 50, 40 – 49, and 20 – 29 are fairly equal at about 20%.

## Sustainability Report (Cont'd)

We view this age disparity positively. The 40 – 49 age group together with the above 50 age group are able to offer their ample knowledge, experience and networks to carry ENRA through into the future. They, in turn, are supported by the energetic younger groups who have the potential of bringing new ideas, and the capacity to absorb the knowledge and experience from the older groups.

### iii. Racial diversity

It is clear from **TABLE 8** below that Malays have been the main bulk of our workforce at a four-year average of 76%, despite the reduction in numbers as a result of the manpower rationalisation and divestment exercises. The Chinese ethnic group forms the next biggest group at a four-year average of 16% of the total workforce. Indians and Others racial groups averages at 2% and 6% respectively over the four-year period.

Similar to the situation with gender diversity, race is not a criterion of our recruitment. This diversity is the result of the employment market.

TABLE 8 – Racial diversity									
	FY 2019/20		FY 2020/21		FY 2021/22		FY 2022/23		Avg.
		%		%		%		%	%
<b>Malay</b>	85	77	88	76	35	74	30	77	76
<b>Chinese</b>	13	12	14	12	10	21	7	18	16
<b>Indian</b>	2	2	2	2	1	2	1	3	2
<b>Others</b>	11	10	12	10	1	2	1	3	6
<b>TOTAL</b>	111		116		47		39		

### iv. Religion diversity

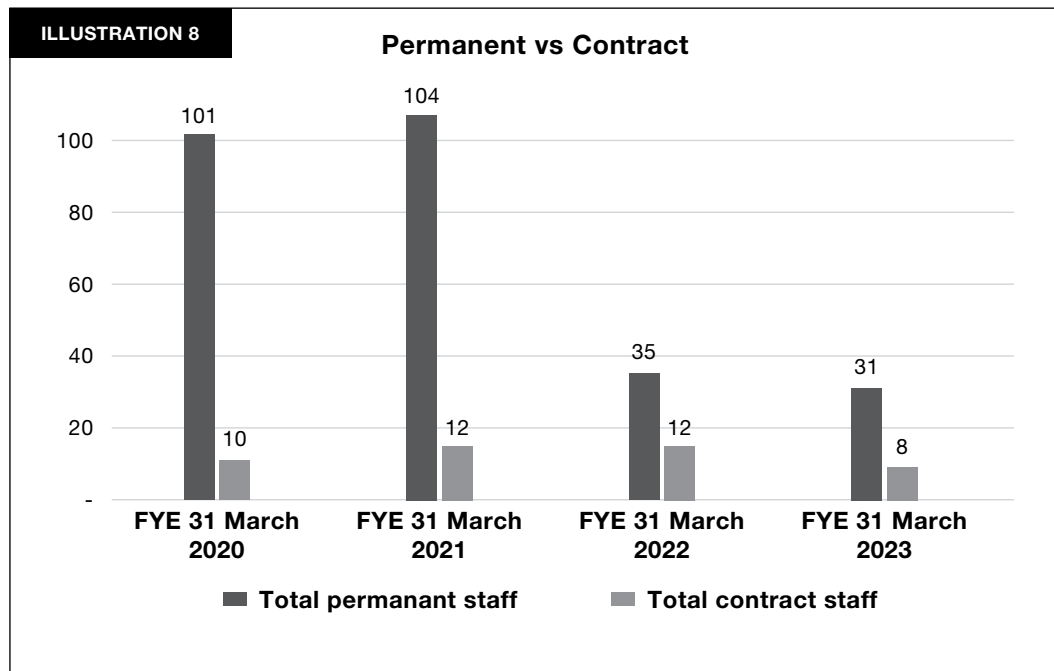
Similar to racial diversity, the diversity between Muslims and non-Muslims, as shown in **TABLE 9** below, is wide over the years with a four-year average of 76%. Similar to the situation with racial diversity, the changes in the number of staff did not change the percentage composition of religious diversity.

TABLE 9 – Religion diversity									
	FY 2019/20		FY 2020/21		FY 2021/22		FY 2022/23		Avg. %
		%		%		%		%	
<b>Muslim</b>	85	77	88	76	35	74	30	77	76
<b>Non-Muslim</b>	26	23	28	24	12	26	9	23	24
<b>TOTAL</b>	111		116		47		39		

Despite the disparity in race and religion, the staff has been able to work together harmoniously. There has never been any incident of religious nor race-related issues being reported.

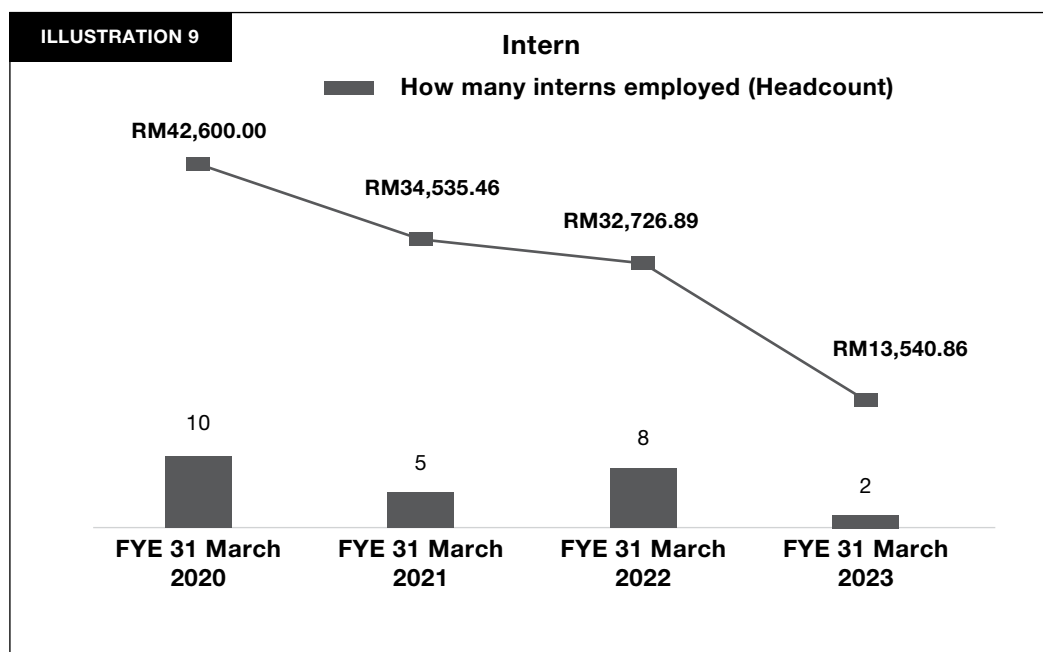
### v. Permanent and contract staff

In the course of conducting our business, we sometimes hire staff on a contractual basis. They are most often tied to a specific project we are undertaking and they most often have specific skills easily marketable across the industry. **ILLUSTRATION 8** below shows the number of contract staff vis-à-vis permanent staff.

Sustainability Report  
(Cont'd)

## vi. Interns

ENRA believes in investing in the development of young talents. Over the years we have accepted university students for internship with us. The number of interns accepted and the annual amount spent on internship are as indicated in **ILLUSTRATION 9** below.



The number of interns accepted for internship with us had reduced according the reduction in our manpower size. Except for a particular case in FYE 2017, all of our interns were local Malaysian tertiary students from either local universities or overseas universities branches in Malaysia. In 2017, we had an Australian student who applied for and successfully interned with us.

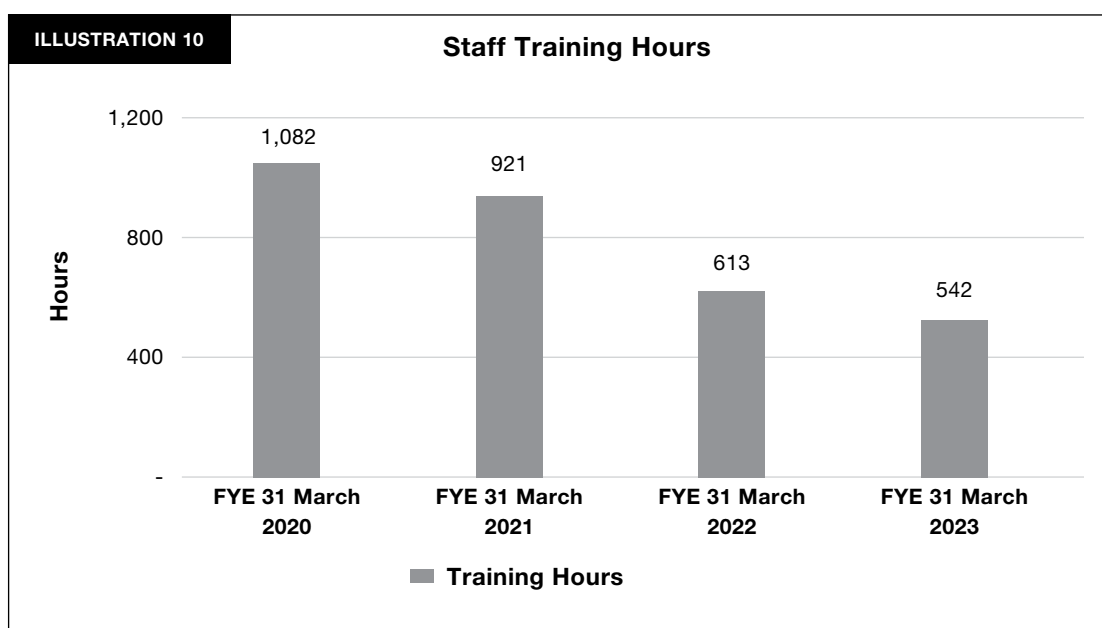
## Sustainability Report (Cont'd)

At ENRA we take internships seriously. Interns are treated as staff members and are usually given proper tasks with a view that if they handle themselves and the assigned tasks well, they may be considered for full employment upon graduation from their studies. The internship period ranges between three to six months. To date, five of our interns have joined us as staff members. All five are still our employees today.

### b. Staff training

Staff training is a crucial function of human capital development. Training is necessary to ensure the talents and skills of the workforce are kept abreast with the development of the industries we are in and the internal requirements of the Group. Throughout FY 2022/23 the staff have attended the following trainings:

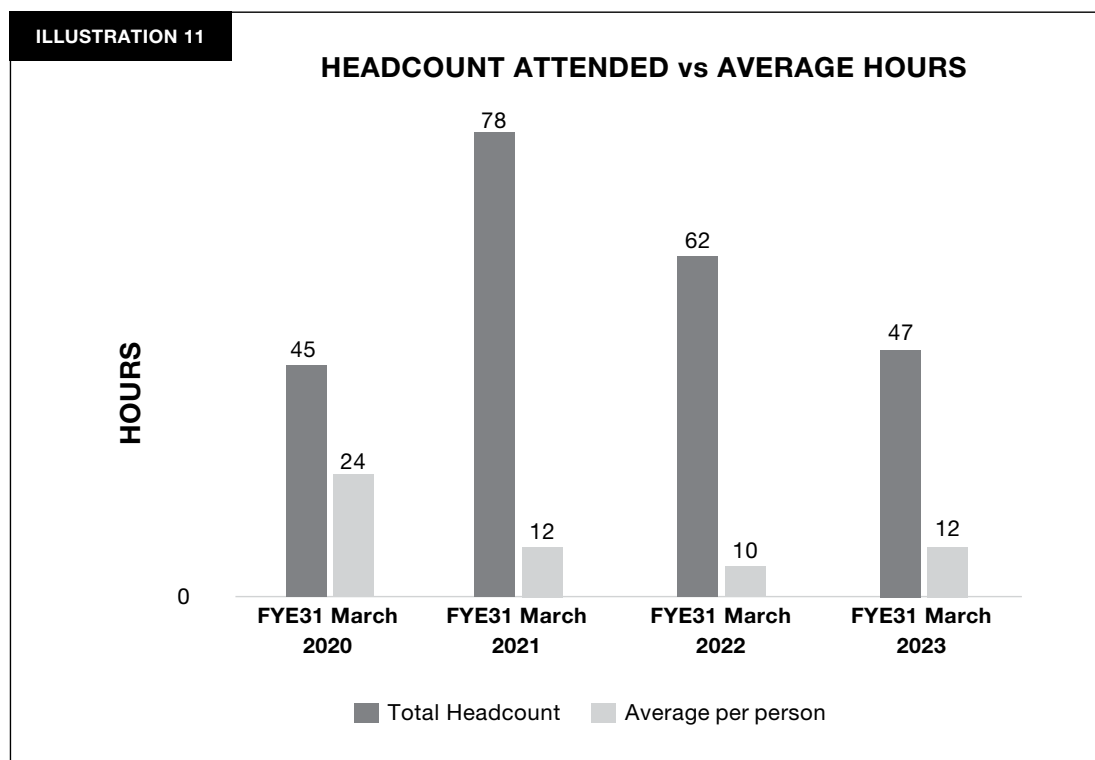
- i. Taklimat KWSP (Gandakan Simpanan Anda Di KWSP)
- ii. Program Bersama Jabatan Buruh
- iii. Sustainability Governance, Management & Reporting How Sustainability Is Operationalised & What It All Means to ENRA Group
- iv. Stress Management - Virtual Health Talk
- v. Internal Knowledge Sharing Session - HCA Department
- vi. Internal Knowledge Sharing Session - QHSE Department
- vii. Internal Knowledge Sharing Session - IT Department



**ILLUSTRATION 10** above shows the total training hours participated by our staff, across the board, over the past four years. Despite the lockdown during the MCOs which transpired across FY 2019/20 and FY 2020/21 our Group Human Capital has been able to conduct a series of training involving our staff. These training helps to keep the staff mentally active despite the difficulties resulting from the COVID-19 pandemic.

The high training hours total during this period was due to win-win negotiations between our Group Human Capital and training providers for them to conduct online training which generated more staff participation. The reduced training hours for FYE 2021/22 and FYE 2022/23 were due to the reduced staff headcount as a result of the rightsizing exercise and divestment of subsidiaries.

**ILLUSTRATION 11** below shows the total training headcount for each year for the past four years versus the average training hours per attendee. The average hours per person remains almost constant over the five years except for a spike in FY 2019/20. This spike is due to the effect of MCO on training as mentioned above.

Sustainability Report  
(Cont'd)

## c. Staff health and safety

Our HCA, QHSE and GIT teams had worked hard throughout the COVID-19 pandemic period to ensure all our employees, wherever they are, either onshore or onboard Ratu ENRA, were protected against COVID-19 and other maladies. At the same time, they worked hard together to ensure that the mental health of all employees remained good. However, coming out from the pandemic, these QHSE activities slowed down to allow employees some breather and time to adjust to post-pandemic norms.

Because of the nature of their operations, the HSE activities continue to ensure the crew remains healthy mentally and physically. The activities conducted onboard Ratu ENRA include the following:

## i. Crew Physical and Mental Health Program (Onboard Wellness Program)

In FY 2021/22, we introduced a Behavior Based Safety (BBS) program as one of the key agents to improve QHSE culture among the crew onboard Ratu ENRA.

For FY 2022/23, as part of our new approach to promote health and mental well-being among the crew, we focused on organising health talks and providing physical health screening for our crew. Throughout the year completed 28 health talks and training sessions onboard Ratu ENRA.

As all crew data were available to the medical team on board and physical medical checkups were conducted on a weekly basis. These medical checkups did not focus just on work-related diseases but also included the monitoring of communicable diseases. This was done to improve the overall health of everyone on board. Any crew with health issues such as high blood pressure, diabetes, or high cholesterol, would undergo a wellness plan developed by a medic which would include using the gym equipment available on board. Throughout the 60 days on board, the crew member would be able to improve their health condition before going back to their family.

## Sustainability Report (Cont'd)

### ii. Contractor Safety Management

Besides working directly with the crew member, we also work closely with our contractors and third-party suppliers to build a strong safety culture at the frontline. Having a positive and proactive safety culture in the workplace is vital to maintaining crew physical health.

Our subsidiary ENRA SPM places emphasis on ensuring that solid safety measures are in place across our operations. We conduct bi-weekly operation meetings and monthly HSE management review with these contractors. Active engagement and clear accountability have been part of our contractor safety management efforts to provide better delivery and enhance the HSE performance onboard Ratu ENRA. We continue to communicate these to all parties to ensure everyone abides by the HSE Rules and Regulations onboard.

As an additional initiative, a back-to-basic program had been implanted in the safety management system to ensure all crew and contractors are familiar with the safety equipment available on board. Each crew and contractor will be trained with the rescue equipment and emergency procedures to ensure that their response would be fast enough to save their lives.



### iii. Preparing for Emergencies

Drills conducted onboard the vessel are important in preparing the crew for emergency situations. We routinely practice our emergency response to potential incidents such as a spill or a fire. In 2023, we conducted 44 emergency drills. The goal is to ensure the proper actions be an automatic response whenever the alarm sounds. It is a way to make the crew familiar and acquainted with the equipment and procedure that are to be used during emergencies onboard Ratu ENRA.

The scenario and location vary to make all Emergency Response Teams (ERT) able to react and respond based on the situation in various areas.



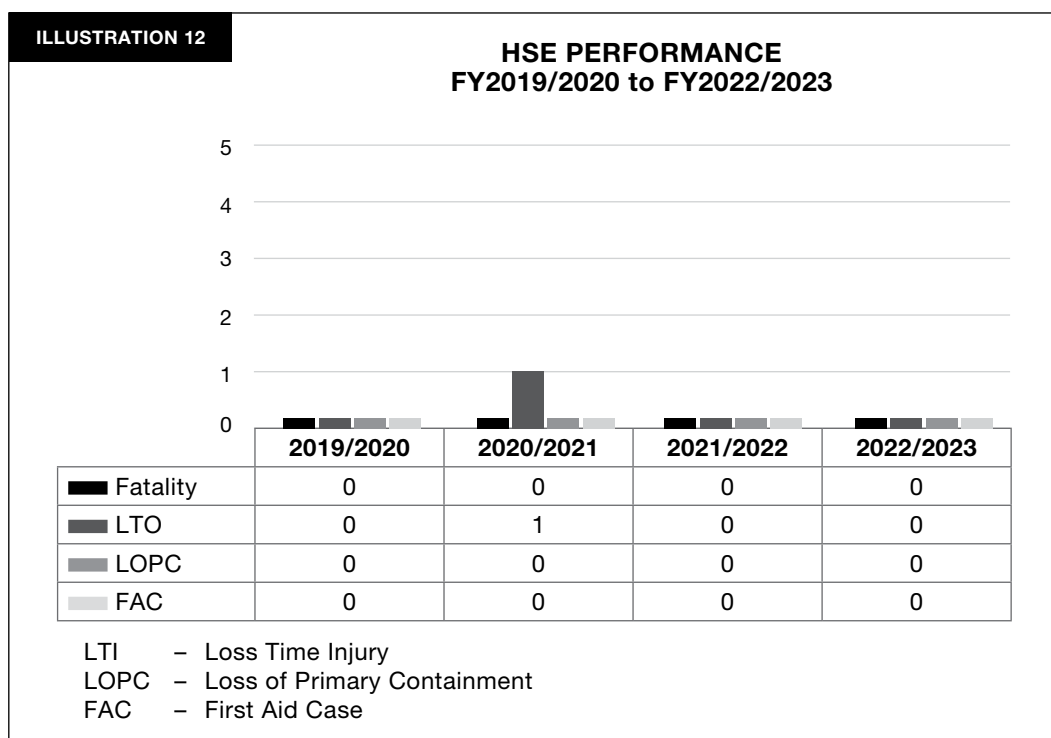
Sustainability Report  
(Cont'd)

## iv. Additional medical benefit – Influenza vaccine

Over the years since its inception, ENRA has improved its staff benefits which include insurance coverage, gym and fitness partial sponsorship, sports activities, etc., keeping up with changes in the working condition and environment, and social and cultural trends. At times, the human resource practice at ENRA is ahead of national trends and government legislation. A case in point is the 90 days of maternity leave which was adopted by ENRA a year before it was legislated by the government.

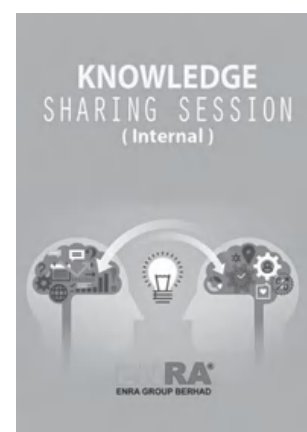
During FY 2022/23, a new benefit was introduced in light of an outbreak of influenza. ENRA staff were encouraged to go for influenza vaccination and the cost of the vaccination shot was claimable. This is a new addition to the list of medical benefits available to the staff.

Our operational activities continue to chart excellent safety records as shown by **ILLUSTRATION 12** below. Except for an incident involving a crew injury during a crew ship transfer process in FY 2020/21, our safety record remains unblemished.



## d. Knowledge sharing session

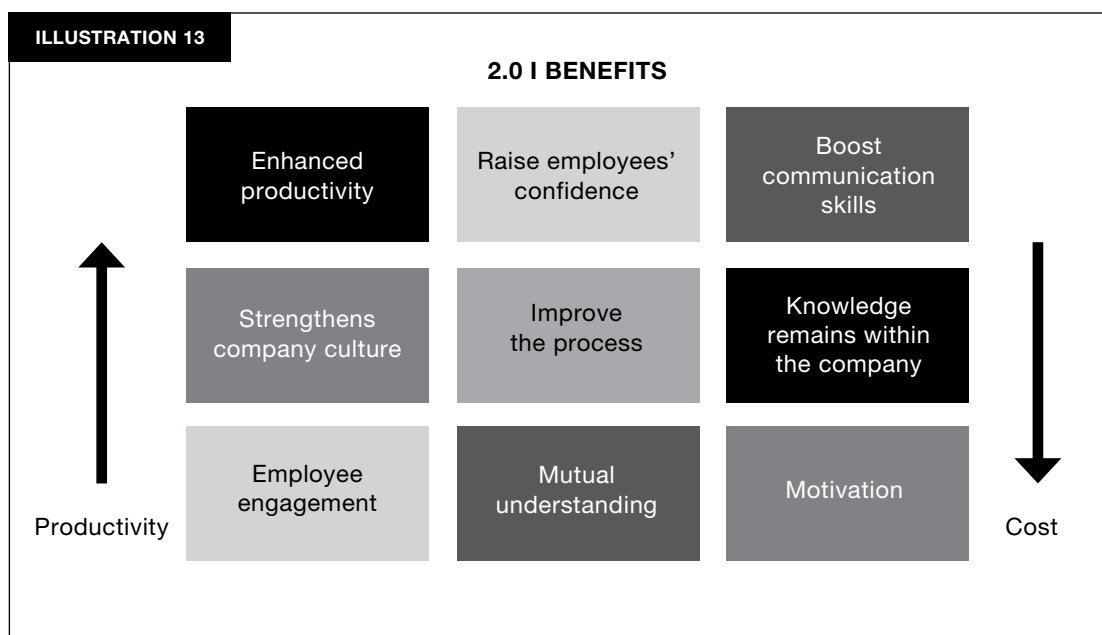
This is a session whereby an employee shares his/her particular knowledge in a particular area with other employees. It can be on any topic covering different sets of skills, experiences, or expertise. Most often it is work-related; something that relates to one's job function or sharing of certain skills useful to all, e.g.; presentation skills. It is often done in a relaxed and informal setting. This is a highly beneficial session where not only knowledge and/or skills are shared but it enhances camaraderie, mutual respect and acceptance. As listed under the list of staff training in section 5b above, three of these sessions were conducted during FY 2022/23.





## Sustainability Report (Cont'd)

We believe the benefit of the internal knowledge session would be as shown by **ILLUSTRATION 13** below.



e. **Pride in serving socially responsible employer**

We have always undertaken activities that would instil a sense of pride in our employees. This in turn would encourage them to contribute better, either to the company or to the community where we serve and/or operate.

In the past, our staff have undertaken, among others, the following:

- i. assisted needy school-going children prepare to enrol on the new school year via our “Back-to-School” activities;
- ii. worked with an NGO to prepare needy children to celebrate Hari Raya;
- iii. assisted communities inundated by flood by participating in cleaning-up activities and donating much-needed household items to replace those that were either damaged or swept away by the flood;
- iv. repatriation of Malaysians, together with our Ratu ENRA crew members and contractors, who were stranded in Myanmar due to COVID-19 movement restrictions;
- v. participation in street kitchen activities;
- vi. Zakat Wakalah

For the last two years, we have been paying corporate zakat to Pusat Pungutan Zakat Wilayah Persekutuan (“PPZ”) in Kuala Lumpur and Labuan. Depending on the amount paid, a certain percentage of these zakat monies would be passed back to ENRA by PPZ for us to distribute to deserving groups (asnaf – generally the poor and the needy) of our choice under a program called Wakalah.

Sustainability Report  
(Cont'd)

During FY 2022/23, PPZ had returned to us RM216,569, 37.5% of the amount of corporate zakat paid to PPZ for distribution to the asnaf of our own choosing. This amount had been distributed to recipients at various localities in Malaysia as shown in **TABLE 10** below.

<b>TABLE 10 – Zakat Wakalah distribution</b>				
	<b>RECEIVING ORGANISATION</b>	<b>LOCATION</b>	<b>AMOUNT RM</b>	<b>NO. OF RECIPIENTS</b>
1	Direct recipients	various	33,019	48
2	Pusat Jagaan Darul Hanan	Kg. Koskam, Seberang Prai	7,800	n.a.
3	Surau Al Kauthar	Bandar Baru Bangi	16,500	33
4	Masjid Kampung Buluh Gading	Manir, Kuala Terengganu	12,000	40
5	SK Kampong Tengah	Manir, Kuala Terengganu	26,200	131
6	SK Beladau Kolam	Manir, Kuala Terengganu	26,200	131
7	Kolej Profesional Baitumal	Kuala Lumpur	10,000	n.a.
8	Maahad Tahfiz Al Quran Lil Banat Al Hanafiah	Batu Caves, Selangor	10,000	n.a.
9	Jabatan Pasti Kawasan Maran	Maran, Pahang	32,900	329
10	Bantuan Kerusi Roda Rakyat Malaysia	Kuala Lumpur	5,000	n.a.
11	Pertubuhan Kebajikan Anak Yatim Al Nasuha	Kg Changkat, Kuala Lumpur	5,000	n.a.
12	Pertubuhan Kebajikan Keluarga Istimewa (PKKI) Pahang	Pahang	5,000	n.a.
13	Pejabat Agama Maran	Maran, Pahang	20,000	200
14	Persatuan Pendidikan Anak Yatim Lipis	Padang Tengku Pahang	14,750	44
	<b>Total</b>		<b>224,369</b>	

## Sustainability Report (Cont'd)

### vii. Sustainable Green 2023 Programme

ENRA was one of the sponsors of this program organised by Majlis Perbandaran Kuala Selangor (MPKS). On top of the sponsorship, our staff participated in the planting of Siantan seedlings where 25,223 seedlings were planted. This effort has garnered recognition from the Malaysia Book of Record as the highest number of Siantan seedlings planted in one event.



Apart from participating in a Malaysia Book of Record recognised event, it is also hoped that this would raise the interest in environmental conservation, especially among our staff.

### f. Employee engagement activities

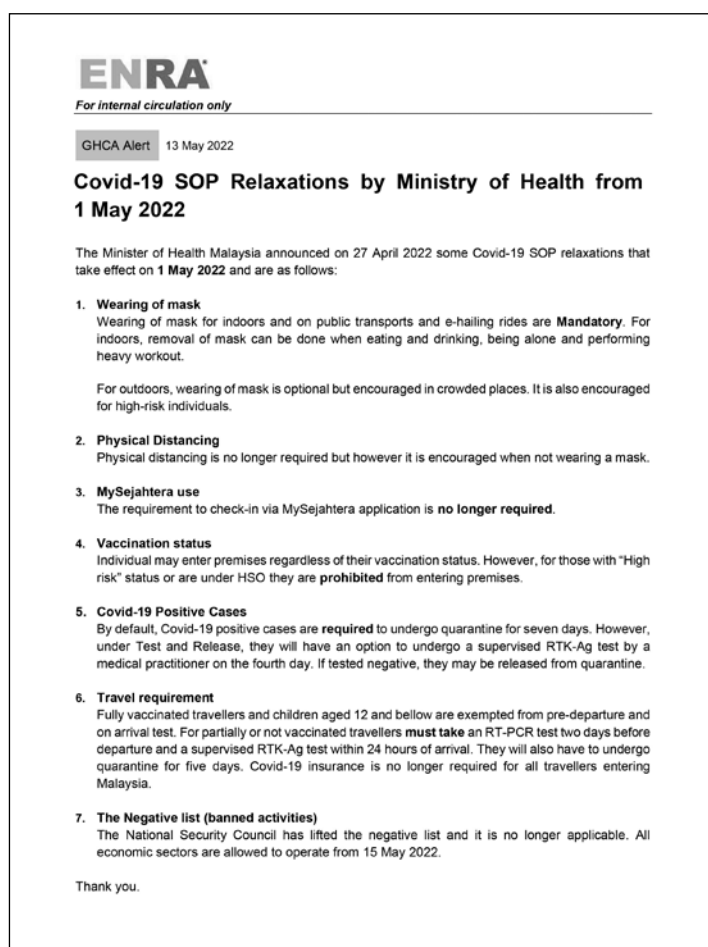
This covers communications or activities that either disseminate vital information to the staff or activities that bring the staff together. This includes the following:

- i. Celebrating festivities such as Chinese New Year and Hari Raya, and employees' birthdays. These events are well received by the staff and are very useful towards enhancing bonding, appreciation, motivation and etc.
- ii. GHC General Alert

Sustainability Report  
(Cont'd)

The memo as shown by **ILLUSTRATION 14** below, or other information dissemination tools of similar nature are routinely issued to the staff. These are important as they would keep the staff abreast with the latest information that would be of significance to them. Throughout FY 2022/23, the following alerts, among others were issued by GHC:

- COVID-19 SOP Relaxations by Ministry of Health from 1 May 2022
- Increase in the Maximum Salary Ceiling Limit for SOCSO and EIS effective 1 September 2022
- EPF Self Contribution – Sharing the link & details at the Official ENRA WhatsApp Group
- PERKESO SEHATi – Health Screening Programme - Sharing the link & details at the Official ENRA WhatsApp Group



In previous years we also issued the following various alerts regularly:

- **Legal Alerts**  
Notices sent out Group-wide to alert everyone on important legal matters and developments.
- **QHSE Alerts**  
Notices sent out Group-wide to advise on happenings that affects the company. At times the alerts cover best health and safety practices.
- **IT Alerts**  
Notices sent out Group-wide to alert everyone on matters relating security, updates and availability of IT services.

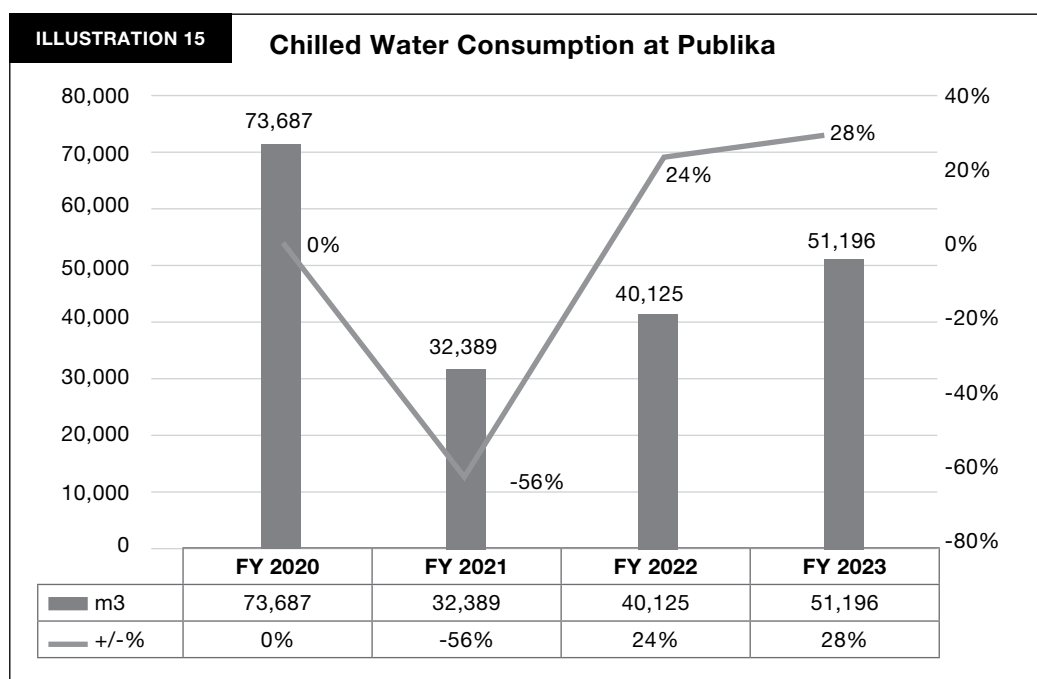
## Sustainability Report (Cont'd)

### 6. Energy, resources and waste management (Environment)

In line with the push for climate-related matters by Bursa Securities, our Group Compliance & Governance coordinated efforts to collect and compile relating to energy, resources and waste management.

#### a. Water and energy consumption

##### i. Chilled water consumption at Publika



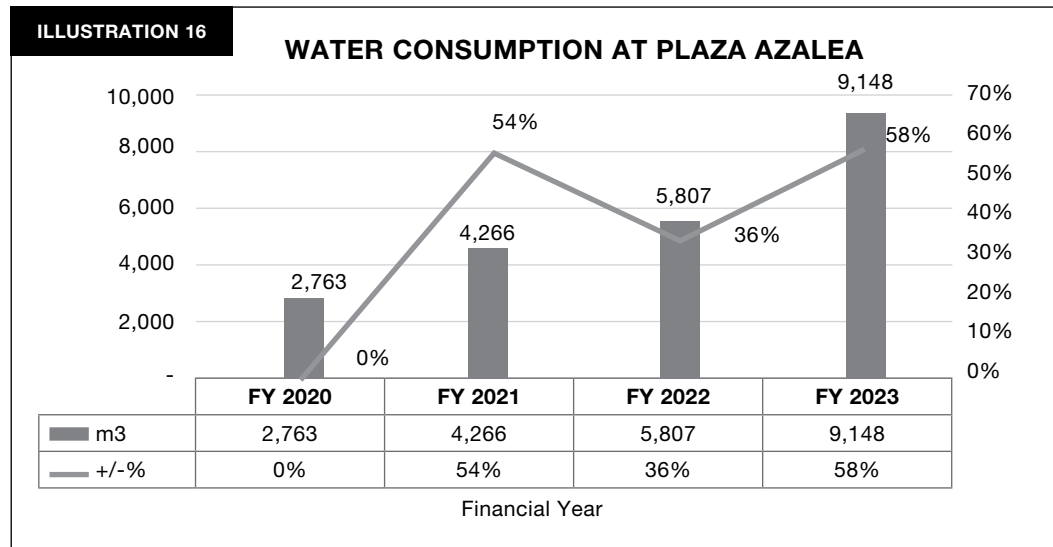
The cooling system at our Publika premises relies on the chilled water systems provided by the building management. **ILLUSTRATION 15** above shows the chilled water consumption over a span of four years starting from FY 2019/20. Notably, there was a significant 56% decrease in consumption during FY 2020/21. This decline can be attributed to the impact of the COVID-19 pandemic, which necessitated the shift to a WFH environment. With fewer employees present at the office and reduced utilisation of meeting rooms and other areas, the demand for chilled water services to cool these unused sections was considerably lower.

In FY 2021/22, we underwent a consolidation process, moving from multiple offices within the Publika building complex to a single office space that was large enough to accommodate our staff following the manpower rationalisation exercise and subsidiary divestment. Despite the ongoing COVID-19 pandemic, our chilled water consumption experienced a notable increase of approximately 24% compared to the previous year. This can be attributed to the open office setup, where the entire office space is serviced with chilled water regardless of the number of staff present.

During FY 2022/23, with the COVID-19 pandemic restrictions being lifted, the activities at the office returned to almost similar to that before COVID-19. The increase in consumption of about 28% indicated that more chilled water would be consumed to cool the office down from the heat outside the office and the heat emitted by an average of 24 staff working fulltime in the office.

Sustainability Report  
(Cont'd)

## ii. Water consumption at Plaza Azalea



**ILLUSTRATION 16** above depicts the water consumption at Plaza Azalea, revealing a seemingly significant 54% increase in consumption between FY 2020/21 and FY 2019/20. However, this percentage increase is misleading because the low consumption recorded for FY 2019/20 was based on partial-year data as QHomes was only recorded in ENRA's books beginning July 2019.

In the following year, FY 2021/22, the illustration indicates a 36% increase in consumption compared to the previous year. Once again, this comparison is misleading due to multiple variables that changed during FY 2021/22, namely an increase in staff size and office space. Additionally, the consumption for the additional office space only commenced in November 2021.

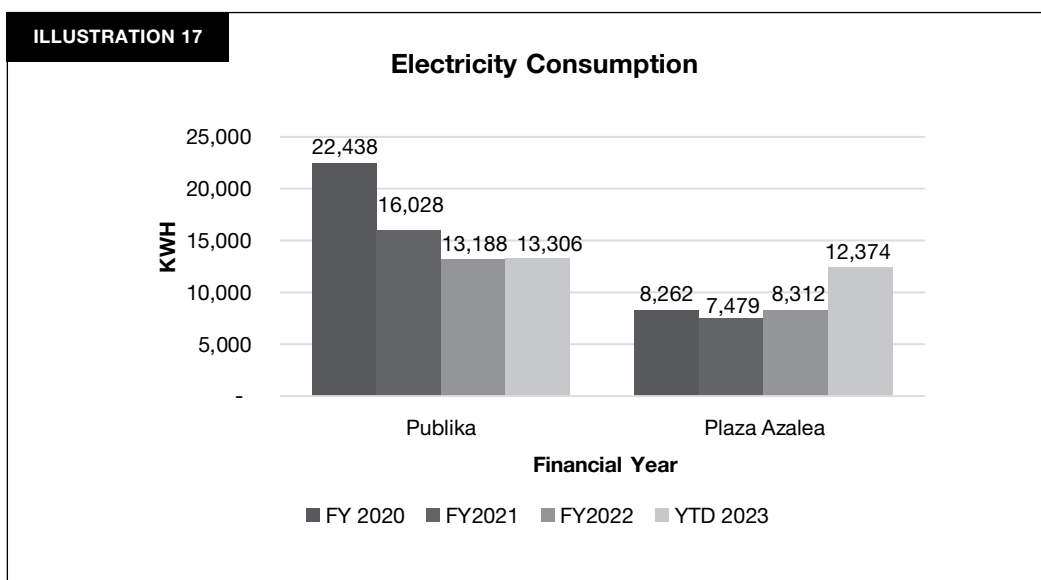
Moving on to FY 2022/23, there was a substantial 58% jump in consumption, primarily attributed to the increase in office space. Although the staff size also increased from the previous year, it was a minimal change with only one additional member.

A more appropriate comparison would indeed involve contrasting FY 2020/21 and FY 2022/23, as both represent full-year periods with consistent data. The significant increase in consumption, amounting to 4,882 m3 or 114%, can be accurately attributed to the combined effects of increased office space and manpower during these two years.

## Sustainability Report (Cont'd)

### iii. Electricity

The four-year electricity consumption data as shown by **ILLUSTRATION 17** below is based on electricity consumption at our offices at two separate buildings: at Publika in Kuala Lumpur where ENRA Group, ESPM and EES are based and at Plaza Azalea in Shah Alam where QHomes is.



- Consumption at Publika office

TABLE 11 – Electricity Consumption at Publika office				
	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Consumption (kWh)	22,438	16,028	13,188	13,306
No of staff	55	50	31	30
Consumption/staff	407.96	320.56	425.42	443.53
Consumption/staff/day*	1.57	1.23	1.64	1.71
Office size (ft <sup>2</sup> )	6,394	6,394	1,814	1,814
Consumption/ft <sup>2</sup>	3.51	2.51	7.27	7.34

\* Based on 260 working days in a year

Based on the data presented in **ILLUSTRATION 17**, there was a noticeable decline in consumption, specifically a reduction of 6,410 kWh (equivalent to 29%), from FY 2019/20 to FY 2020/21. This decrease in consumption can be attributed to the prevailing COVID-19 pandemic, which led to the implementation of a WFH environment. Consequently, only a portion of the workforce were physically present in the office at any given time, resulting in reduced energy usage.

Simultaneously, as indicated in **TABLE 11** above, there was a net reduction in staff size by 15 individuals. This staff reduction also contributed to the overall decrease in energy consumption during the specified period.



Sustainability Report  
(Cont'd)

COVID-19 pandemic and the WFH environment continued into FY 2021/22. The reduced manpower presence in the office due to WFH and net staff number of 31, had brought the consumption down by another 2,840 kWh to a new annual total of 13,188 kWh, a reduction of about 18%. During this financial year we also consolidated our offices at Publika into just one single office, resulting in a much-reduced area of 1,814 ft<sup>2</sup>, a reduction of 4,580 ft<sup>2</sup> or about 72%.

Going into FY 2022/23 saw the end of the of COVID-19 pandemic and the associated MCO. A new normal began to emerged and the WFH environment slowly reduced. Despite the huge reduction in office size, and a net decrease in staff number, the electricity consumption did not show much changes. There was only a small increase in consumption of 118 kWh or 1%. This is likely due to the setup of our office - an open office. Regardless whether the office is fully or partially occupied, the lightings and main office equipment continue to consume relatively the same amount of electricity. The things that may vary according to the number of staff in the office are the consumption from the use of personal equipment such as laptops and mobile phone chargers.

If we discount the COVID-19 pandemic period and compare only FY 2019/20 and FY 2022/23, we will see that the consumption was reduced by 9,132 kWh or about 41%. This is mainly due to the space consolidation. The consumption per ft<sup>2</sup> in FY 2019/20 is about 48% that of FY 2022/23 due to the consumption in FY 2019/20 being spread over large common or unoccupied areas such as meeting rooms and the sparsely occupied C-suite section of the office.

- Consumption at Plaza Azalea

TABLE 12 – Electricity Consumption at Plaza Azalea office				
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Consumption (kWh)</b>	8,262*	7,479	8,312	12,374
<b>Total staff</b>	11	11	16	17
<b>Consumption/Staff</b>	751.09	679.91	519.50	727.88
<b>Consumption/staff/day**</b>	2.89	2.62	2.00	2.80
<b>Office ft<sup>2</sup></b>	1,388	1,388	2,259	2,259
<b>Consumption/ ft<sup>2</sup></b>	5.95	5.39	3.68	5.48

\* For 9 months beginning July 2019

\*\* Based on 260 working days per month

Based on the data provided in **ILLUSTRATION 17** and **TABLE 12** above, we conclude that the consumption for FY 2019/20 was very high when compared with that of subsequent years. Assuming the consumption was consistent throughout the nine months in FY 2019/20, and these nine months consumption is to be extrapolated throughout the year, the consumption would have theoretically been 11,016 kWh.

Going into FY 2020/21 saw a reduction of 783 kWh based on actual or 3,537 kWh based on the extrapolated consumption above. Subsequently in the following year of FY 2021/22, the consumption increased by 833 kWh. During this financial year, the number of staff and the office square footage increased and as such, comparison with the previous year or the subsequent year may not reflect a correct picture. Bear in mind that the consumption for the additional square footage is only for five months beginning November 2022.

## Sustainability Report (Cont'd)

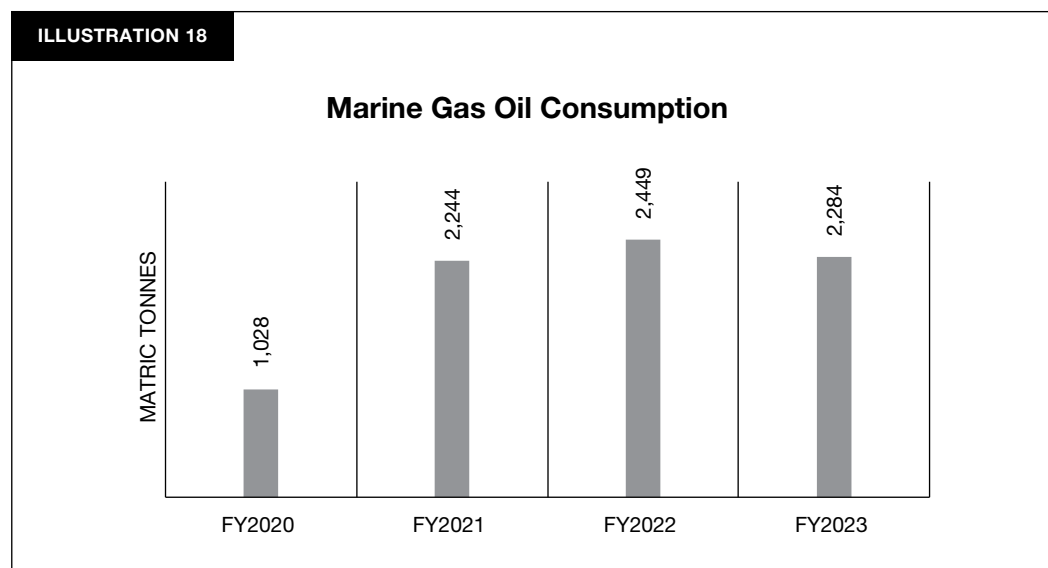
The best consumption comparison for this four-year period, as previously mentioned in the case for water consumption, is to compare the consumption of FY 2020/21 and FY 2022/23. The result of this comparison is as shown below:

- Consumption per square footage:
  - o FY 2020/21: 5.39 kWh/ft<sup>2</sup>
  - o FY 2022/23: 5.48 kWh/ft<sup>2</sup>
- Consumption per staff per day:
  - o FY 2020/21: 2.62 kWh/ft<sup>2</sup>
  - o FY 2022/23: 2.80 kWh/ft<sup>2</sup>

We can conclude that the consumption in FY 2022/23 when compared with that of FY 2020/21 is consistent with the increase in staff number and the increase in office square footage; and the slightly higher number for FY 2022/23. The small variations observed could indicate areas where efficiency improvements might be targeted in the future. Continuously monitoring and addressing these inefficiencies can help optimise energy usage in subsequent years.

#### iv. MGO consumption

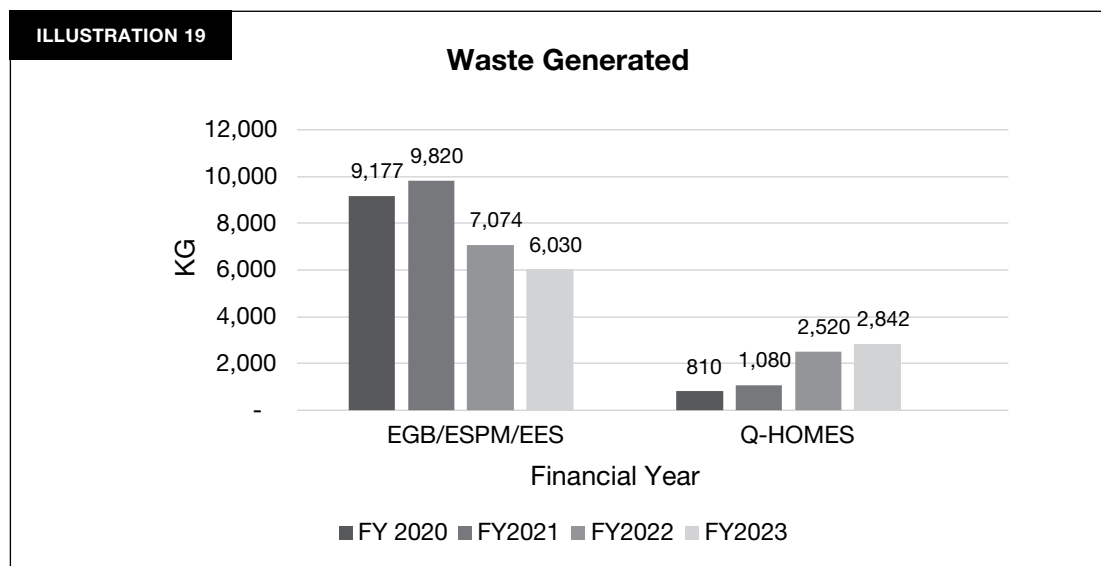
The marine gas oil consumed by Ratu ENRA is as per **ILLUSTRATION 18** below. The vessel came into service sometime mid-year during FY 2019/2020, thus the low consumption of MGO tonnage then. Prior to this, the static towing service for our SPM unit was conducted by MT Bratasena, which was contracted with a third party and supported by two tugboats. The decision to use our own vessel, one that is capable of static positioning, has saved us considerable operation cost. The consumption was almost the same throughout the three years after the year it entered into service with ENRA.



Sustainability Report  
(Cont'd)

## b. Waste management

Solid waste data as shown by **ILLUSTRATION 19** below reflects the solid waste generated at our two offices: Publika and Plaza Azalea over the previous four years.

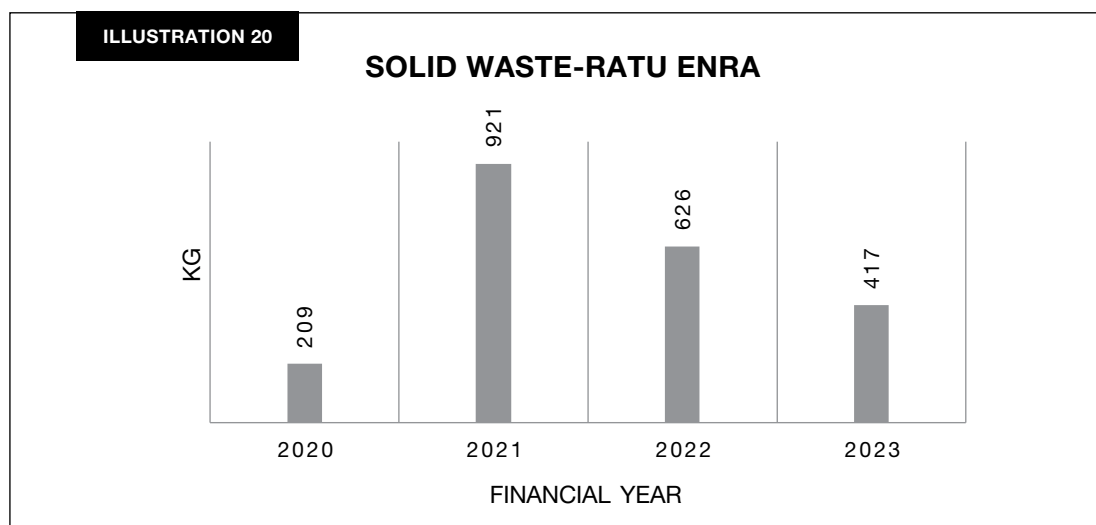


From the above illustration, we can see that in FY 2020/21 the offices at Publika recorded and increase of 643kg of 7% in solid waste generated. Subsequently, in FY 2021/22 the amount of solid waste generated dropped by 2,726 kg which is equivalent 28% of that the previous year. For FY 2022/23 a further drop of 1,044 kg in the amount of waste generated was recorded. This is equivalent to almost 15% reduction to the amount generated previously.

Meanwhile, at Plaza Azalea, there was an increase of 270 kg (33%) of waste for FY 2020/21 from the amount generated in FY 2019/20. In the subsequent year, there was an increase of about 1,440 kg. This is equivalent to 1.3 times more waste than that was generated during FY 2020/21. For FY 2022/23, the amount of waste generated increased further by approximately 13% or 322 kg.

The solid waste generated by Ratu ENRA for the two years beginning FY 2021/22 and FY 2022/23 were, 626kg and 417kg, respectively. The solid waste produced onboard Ratu ENRA is as per **ILLUSTRATION 20** below. The low amount of waste produced for FY 2019/20 was low due to us taking ownership of the vessel midway through the year. A year after we took ownership of Ratu ENRA, FY 2020/21, we recorded about 921 kg of solid waste. Subsequently, during FY 2021/22 there was a reduction of about 295 kg of waste produced. This is equivalent to approximately 32% of waste produced a year before. For FY 2022/23 the produced reduced by 209 kg or 33% of those produced in FY 2021/22. This reduction was mainly due to the idle period when Ratu ENRA was anchored at Port Dickson.

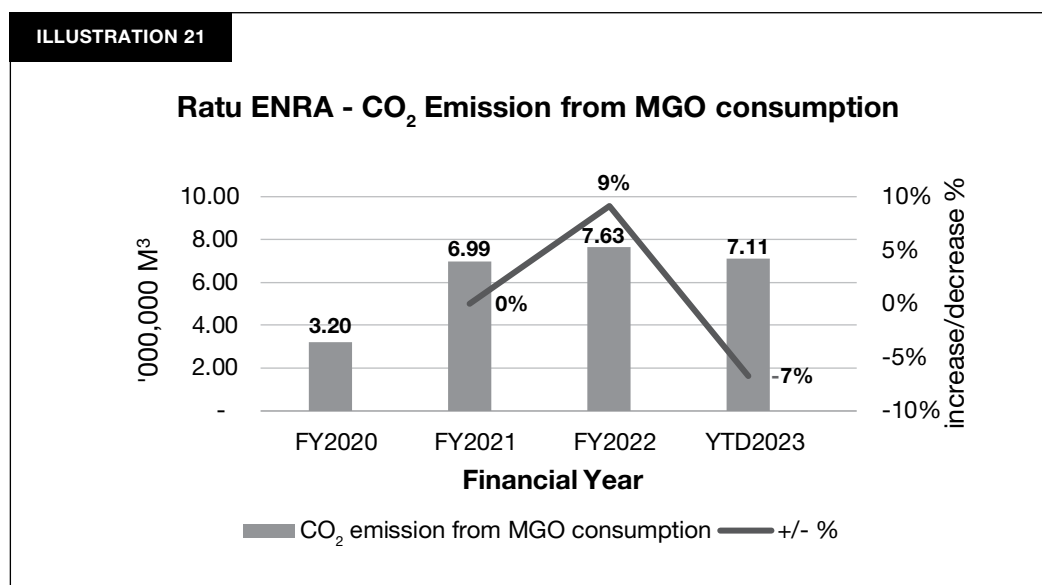
## Sustainability Report (Cont'd)



### c. Tracking CO<sub>2</sub> emission

#### i. CO<sub>2</sub> emission from Ratu ENRA's fuel combustion

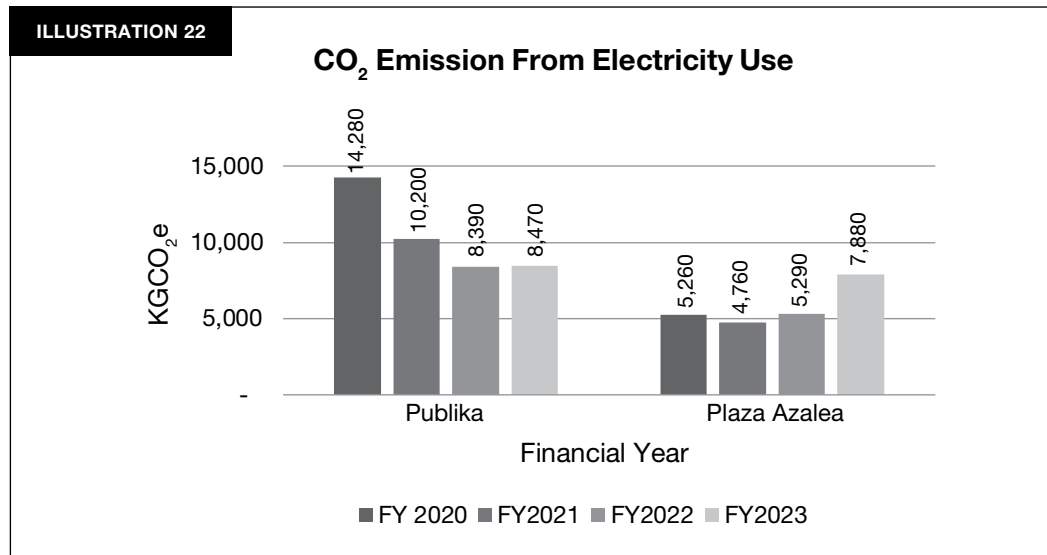
Ocean-going vessels consumes fuel that has high carbon contents, some up to 85%. The third International Marine Organisation study on greenhouse gases in 2012 found that ships using Heavy Fuel Oil, like Ratu ENRA, will have a CO<sub>2</sub> emissions factor of 3,206 kg CO<sub>2</sub> / tonne of fuel. In other words, for every metric tonne of fuel oil consumed by our Ratu ENRA, it will emit 3.2 metric tonnes of CO<sub>2</sub> into the atmosphere. The CO<sub>2</sub> emission data is as per **ILLUSTRATION 21** below.



If we discount FY 2019/20 from the above Illustration, we can see that the emission increased by 9% in FY 2021/22 and dropped by 7% in FY 2022/23.

Sustainability Report  
(Cont'd)ii. CO<sub>2</sub> emission from electricity consumption

Based on our electricity consumption data as shown previously in **ILLUSTRATION 17**, we can compute the quantum of CO<sub>2</sub> emission. They are as per **ILLUSTRATION 22** below.



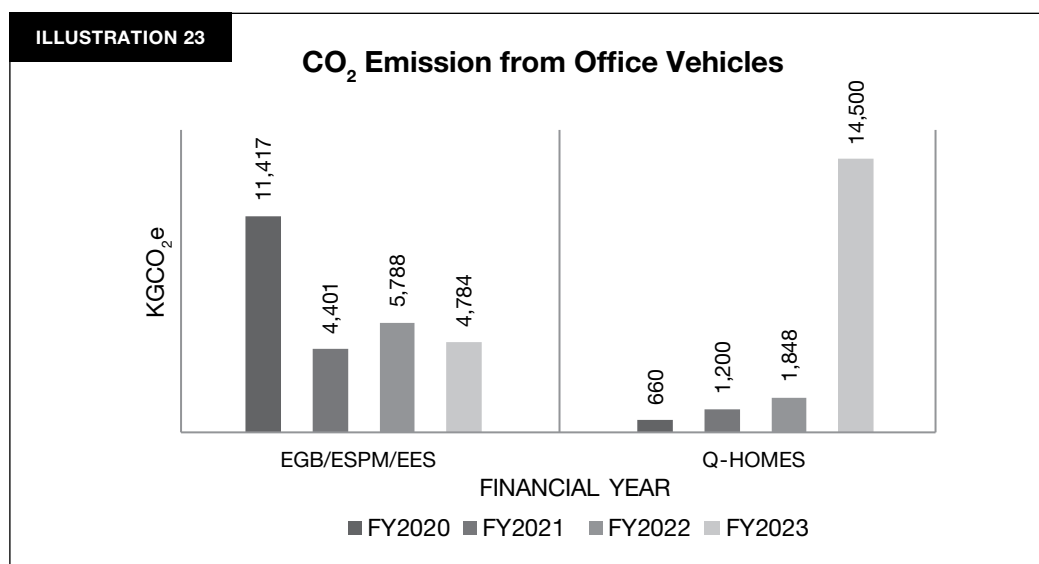
At our Publika office, the CO<sub>2</sub> emission dropped 28% in FY 2020/21 due to the reduced electricity during that year. In the subsequent year the emission dropped about 18% from the previous year. The drop in emission in these two years is mainly brought about by COVID-19 pandemic restrictions and downsizing of our office space. There was a slight increase of 1% in FY 2022/23.

At Plaza Azalea, there was a notable 10% decrease in CO<sub>2</sub> emissions from electricity consumption from FY 2019/20 to FY 2020/21. However, in the subsequent year, FY 2021/22, there was an 11% increase in emissions. The most significant change occurred in FY 2022/23, with emissions rising by 49% compared to FY 2021/22. These fluctuations in emissions align with the corresponding variations in electricity consumption patterns of our office at Plaza Azalea.

## Sustainability Report (Cont'd)

### iii. CO<sub>2</sub> emission from use of office vehicle

**ILLUSTRATION 23** shows the CO<sub>2</sub> emission as the result of using the office vehicles. Vehicles at both Publika and Plaza Azalea are shown separately side by side. For the usage at Publika, the reduction in the last three years is mainly due to the effects of MCO, manpower rationalisation and subsidiary divestment.

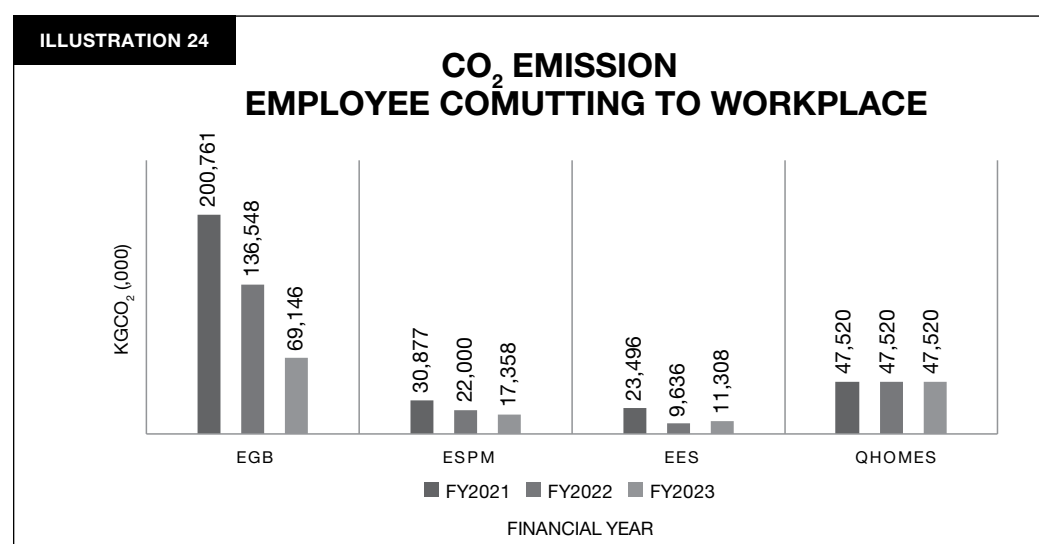


The spike in the usage at QHomes in FY 2022/23 is due to the increase in activities at our project site in Dengkil.

### iv. Emissions from employees' travel to workplace

**ILLUSTRATION 24** below is our attempt to capture the CO<sub>2</sub> emission resulting from employees travelling from their homes to the office. At the moment it is a very simplistic approach of measuring the distance from home to the office multiplied by two for the return trip. This does not take into consideration the traffic volume which would affect the time travel. It also does not take into consideration other destinations which staff have to travel in place of work at the office.

Only three years of data are available at the moment, FY 2021/22 and FY 2022/23. We will improve on the data capture and measurement as we know more in the future. Apart from collecting this data, it is hoped that this exercise will enhance the awareness of all the impacts of CO<sub>2</sub> emission on the atmosphere.



# AUDIT, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE REPORT

**The Board is pleased to present the Audit, Risk Management and Sustainability Committee report, which provides insights into how the Committee discharged its functions for the Group during the financial year ended 31 March 2023.**

## COMPOSITION AND MEETING

The ARMSC comprises four (4) members, all of whom are Independent Non-Executive Directors (NEDs). During the financial year ended 31 March 2023, Datuk Ali bin Abdul Kadir resigned as a member of the ARMSC in order to comply with Practice 1.4 of the MCGG 2021, which states that the Chairman of the Board is not a member of the Board committee, and Mr Loh Chen Yook was appointed in his place. All of the Independent NEDs satisfy the test of independence under MMLR of Bursa Securities. The composition of the ARMSC complies with Paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 (Step-up) under Principle B of the MCGG 2021. The ARMSC's Terms of Reference (TOR) requires a former partner of ENRA's external auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMSC. ENRA also complies with Practice 9.2 of the MCGG 2021 that none of the Directors were former partners of the external audit firm of the Company.

Tunku Afwida binti Tunku Abdul Malek, is a member of the Malaysian Institute of Accountants (MIA) and a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW). Accordingly, ENRA complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

The ARMSC held five (5) meetings during the financial year ended 31 March 2023. The meetings were properly structured through the use of agendas which were distributed to members with sufficient notice (at least seven days before the meeting). All meetings were attended by the President & Group Chief Executive Officer, the Executive Director, and the Group Chief Financial Officer to facilitate direct communication and provide clarification on audit and internal control issues, as well as to report the Group's financial performance. The head of Internal Audit attended all the meetings to present the quarterly internal audit and risk management reports. The external auditors, Messrs. BDO PLT (BDO) attended three (3) of these meetings at the invitation of the ARMSC to present the audit planning memorandum, annual audit findings, draft audited financial statements, and financial matters for the financial year 2023. As part of the ARMSC's efforts to ensure the reliability of the Company's quarterly financial statements and their compliance with the applicable Financial Reporting Standards, BDO was engaged to conduct a limited review of ENRA's financial results on a half-yearly basis before their presentation to the ARMSC for review and recommendation for the Board's approval and adoption.

Minutes of each ARMSC meeting were recorded and tabled for confirmation at the following ARMSC meeting and subsequently presented to the Board for notation. The Chairman of the ARMSC reported the ARMSC's recommendations and remedial actions (if any) to the Board for its consideration and implementation. Matters of significant concern and audit issues as and when raised by the External Auditors or Internal Auditors were highlighted to the Board at its immediate subsequent meeting.

Private sessions with the external auditors were held twice a year, without the presence of members of management, whilst private sessions with the Group Internal Audit (GIA) were conducted at least once a year and when necessary. The ARMSC had constantly engaged with the external auditors and the head of internal audit to keep abreast with the key audit issues and audit concerns affecting the Company.



## Audit, Risk Management and Sustainability Committee Report (Cont'd)

### COMPOSITION AND MEETING (CONT'D)

Meeting attendance of the ARMSC members for the financial year were as follows:

Name	Membership	Attendance (Attended / held)
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	Chairman <i>Senior Independent Non-Executive Director</i>	5/5
Dato' Wee Yiau Hin	Member <i>Independent Non-Executive Director</i>	5/5
Tunku Afwida binti Tunku Abdul Malek	Member <i>Independent Non-Executive Director</i>	4/5
Mr Loh Chen Yook (Appointed on 1 October 2022)	Member <i>Independent Non-Executive Director</i>	2/2*
Datuk Ali bin Abdul Kadir (Resigned on 1 October 2022)	Member <i>Independent Non-Executive Chairman</i>	3/3*

\*reflect the number of meetings held during the time the Director held office during the financial year

On 25 August 2022, the Board resolved to transfer the administrative function of the Environmental, Social, and Governance (ESG) matter to ARMSC, and on the same date, the name of the Committee was changed from "Audit and Risk Management Committee (ARMC)" to "Audit, Risk Management/Environmental, Social, and Governance Committee (ARM/ESGC)" before it assumed the current name of "Audit, Risk Management and Sustainability Committee (ARMSC)" on 24 November 2022.

The Board evaluated the ARMSC and its members' performance through an annual Board Committee effectiveness evaluation. The Board is satisfied that the ARMSC and its members have effectively discharged their functions, duties, and responsibilities in accordance with the ARMSC's TOR. The TOR of the ARMSC is available on the Company's website at [www.enra.my](http://www.enra.my).

The ARMSC also assessed the head of GIA and the effectiveness of the GIA function, as well as the performance and independence of external auditors, which will then be recommended to the Board. Based on the assessment, the Board is satisfied with the overall performance of the GIA function as well as the performance and independence of the external auditors.

### SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the ARMSC's key activities included the following :

Financial Reporting	<p>a) Reviewed all the four (4) unaudited quarterly financial statements including its related Bursa Securities' announcements prior to recommending the same to the Board for approval, focusing particularly on:</p> <ul style="list-style-type: none"> <li>• The overall performance and prospect of ENRA Group;</li> <li>• The changes and implementation of major accounting policies and practices and the auditor's report highlighting the key audit matters and the implication on ENRA Group;</li> <li>• Compliance with accounting standards and other legal requirements;</li> <li>• Significant accounting and audit issues raised by BDO in financial statements and the corresponding judgement made by Management.</li> </ul> <p>b) Discussed significant accounting and audit issues in respect of the audited financial statements with Management and BDO the accounting treatments that were applied and their judgement of the items that affected the financial statements. 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 and in accordance with the relevant accounting standards and regulatory requirements.</p>
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## Audit, Risk Management and Sustainability Committee Report (Cont'd)

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

External Audit	<ul style="list-style-type: none"> <li>a) Reviewed BDO's scope of work and audit plans for the financial year to ensure sufficient coverage in terms of scope. Prior to the audit, representatives from BDO presented their audit strategy and plan. The ARMSC also met with BDO twice on 27 May 2022 and 23 February 2023 without the presence of the Executive Directors and Management. BDO were given the opportunity to raise any matters of concern arising from their audit work. No major concerns were highlighted and BDO had also confirmed that they had received full cooperation from Management and unrestricted access to the Group's records.</li> <li>b) Reviewed with BDO the results of the audit, the audit report and the management letter, including Management's responses to the audit findings.</li> <li>c) Discussed the half-yearly limited review findings with BDO on 24 November 2022. Based on the review, there were no unusual or abnormalities discovered by BDO.</li> <li>d) Considered the audit fees payable to the external auditors against the size and complexity of the Group before recommending for Board's approval.</li> <li>e) 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 2023 are disclosed in the Additional Compliance Statement on page 77.</li> <li>f) Based on the satisfaction on the annual review of the performance of the external auditors, the ARMSC recommended to the Board the re-appointment of the external auditors to be proposed for shareholders' approval at the 30<sup>th</sup> Annual General Meeting (AGM). The shareholders at the 30th AGM approved the re-appointment of BDO for the financial year ended 31 March 2023.</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>a) The ARMSC had on 23 February 2023, approved the Internal Audit Plan for financial year ending 31 March 2024. 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.</li> <li>b) Conducted annual assessment of GIA function and head of GIA. The ARMSC reviewed the adequacy of the GIA department's resource requirements, programmes and the GIA department's competency, performance and staff composition. Generally, the ARMSC was satisfied that the GIA function met the necessary expectations.</li> <li>c) The ARMSC had also met with the head of GIA on 23 February 2023 without the presence of the Executive Directors and Management to ensure there were no restrictions on the scope of GIA's audit. The head of GIA were given the opportunity to raise any matters of concern arising from their IA's work.</li> <li>d) Reviewed and deliberated the internal audit reports that highlighted audit issues, major findings, audit recommendations and Management's responses. The ARMSC 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.</li> </ul>
Compliance and others	<ul style="list-style-type: none"> <li>a) Reviewed the related party transaction and recurrent related party transactions of revenue or trading nature entered into by the Group presented by Management at the quarterly ARMSC meeting, to ensure that these transactions were undertaken in the Company's best interest and not detriment to the minority shareholders interest and were done under fair and reasonable grounds and normal commercial terms.</li> <li>b) Reviewed the Corporate Governance Overview Statement, ARMSC Report, Statement on Risk Management and Internal Control and Sustainability Report, pursuant to the MMLR and the MCCG 2021 and recommended the same to the Board for approval.</li> <li>c) Reviewed the half-yearly report on the status of compliance of the Group's Code of Business Conduct to ensure any non-compliance was properly investigated.</li> <li>d) Received quarterly reports on whistleblowing issues to ensure actions were taken on any cases reported. No whistleblowing cases were reported during the financial year under review.</li> <li>e) Reviewed and deliberated the corporate governance compliance of the Company and areas for improvement.</li> <li>f) Reviewed and received the sustainability governance status report at the quarterly ARMSC meeting. The Sustainability Officer confirmed that the Company's progress on environmental, social, and governance (ESG) reporting was in line with the MMLR.</li> </ul>

## Audit, Risk Management and Sustainability Committee Report (Cont'd)

### GROUP INTERNAL AUDIT FUNCTION

The ARMSC is supported by an independent in-house Group's Internal Audit (IA) in the discharge of its duties and responsibilities. The IA 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 ARMSC. The IA function provides the ARMSC 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 IA 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 IA team which is headed by Mr. Melvinder Singh Harminder Singh, Group Head of Compliance & Governance, 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 ARMSC on a quarterly basis. The ARMSC reviews and evaluates the key audit issues raised by the IA team and ensures that appropriate and prompt remedial action is taken by Management. During the financial year, the IA team prepared and presented an annual audit review schedule to the ARMSC. This annual schedule outlines the key business processes of the Group's governance process, ESG efforts and policy, property development subsidiaries as well as oil & gas services. The ARMSC had reviewed and approved the schedule providing the IA team with the mandate in assessing the adequacy and effectiveness of the Group's internal control system.

The Internal Audit team completed a holistic Corporate Governance Review of EGB with reference to the MCCG 2021, an ESG Gap analysis, data gathering and drafting the ESG policy using the MMLR as a guideline, a routine audit of the property division and two follow-up audits in accordance with the ARMSC's approved annual review schedule. 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 2023 amounted to RM411,854.60. (2022: RM367,581.80)

This ARMSC report is made in accordance with the resolution of the Board duly passed on 21 June 2023.

# 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 2021 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 ARMSC. The Board maintains ultimate responsibility over the Group's system of internal control and risk management process that it has delegated to the EXCO for implementation. The Internal Audit function is to provide reasonable assurance that the designed controls are in place and are operating as intended.

## RISK MANAGEMENT

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

The ERMC meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted. The key elements of the Group's risk management framework are as follows:

- The ERMC, 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 ERMC 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 ERMC.
- The Enterprise Risk Management 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.

## Statement On Risk Management And Internal Control (Cont'd)

### RISK MANAGEMENT (CONT'D)

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 ARMSC 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. 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.

### Management of Significant Risks

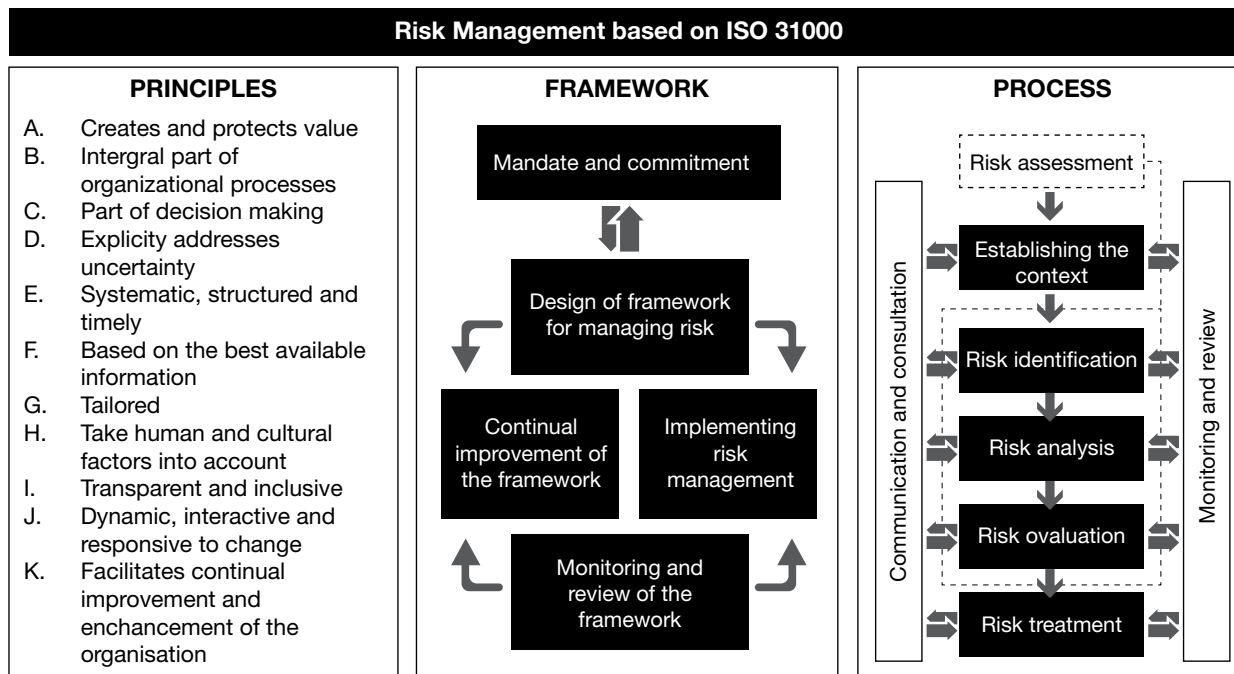
The management of significant risks identified for the financial year ended 31 March 2023 are as follows:

1. Strategic Management Risk in managing the expansion of business portfolio. Expanding the business database through diversification, expansion, education & transfer of knowledge in this ever challenging & changing environment. The Group managed this risk through managing customer and main contractor expectations for Q Homes, EES & ENRA SPM for the GPM project.
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 through) daily & weekly monitoring for ENRA SPM, periodic reviews of compliance with the applicable rules, regulations and standards with the regulators for the other projects, training and development, and processes for risk assessment and monitoring and control based on ISO 9001 quality objectives.
3. Project Completion Risk, as the Group has businesses both locally and overseas and is exposed to various risks relating to delay and price changing 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 Legal firms on the terms of contracts and reporting on project progress to the GMC/MPR.

## Statement On Risk Management And Internal Control (Cont'd)

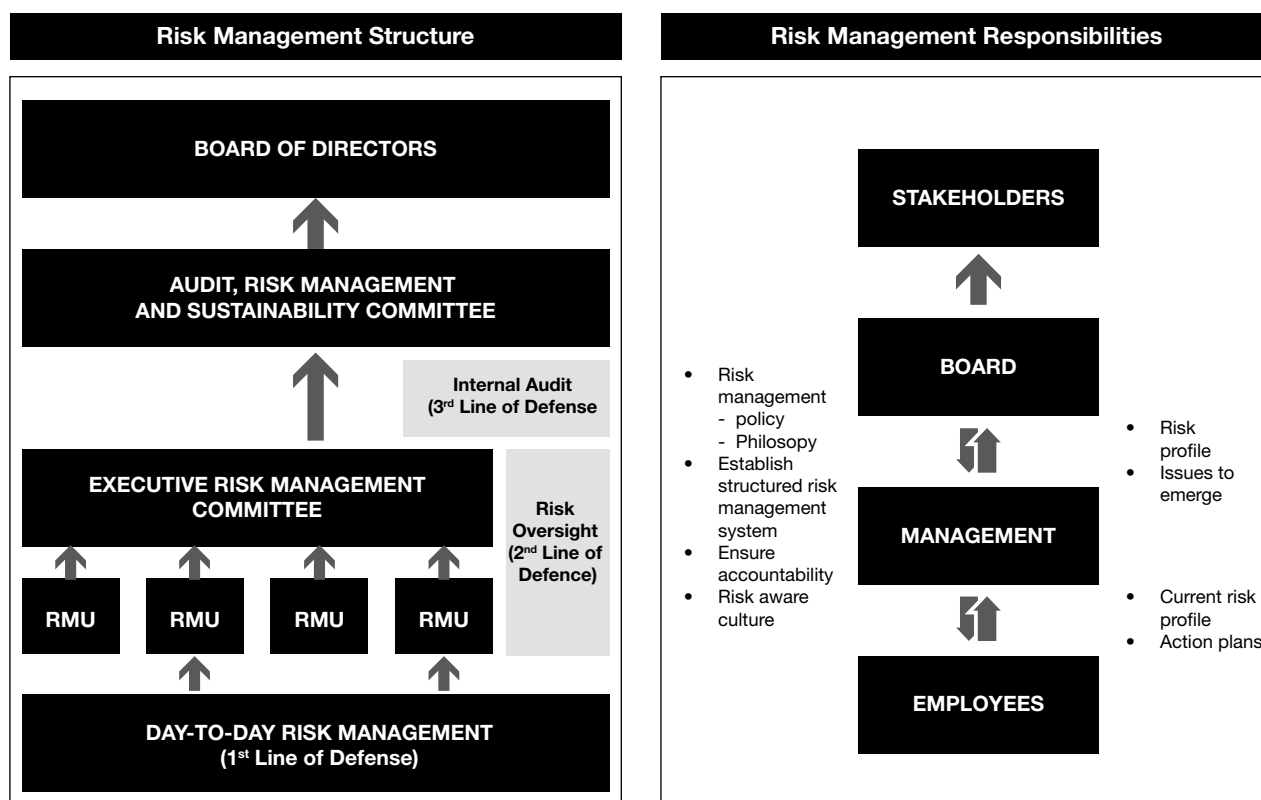
### RISK MANAGEMENT (CONT'D)

#### Management of Significant Risks (Cont'd)



### 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, ARMSC, Internal Audit, ERM and RMUs.



## Statement On Risk Management And Internal Control (Cont'd)

### 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 ARMSC. The Internal Audit function provides the ARMSC 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

The Internal Audit team is headed by Mr. Melvinder Singh Harminder Singh, Group Head of Compliance & Governance, 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 ARMSC on a quarterly basis. The ARMSC 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 2023, the Internal Audit function prepared and presented an annual audit review schedule to the ARMSC. This annual schedule outlines the key business processes of the Group’s governance process, ESG efforts and policy, property development subsidiaries as well as oil & gas services. The ARMSC 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.

The Internal Audit team completed a holistic Corporate Governance Review of ENRA with reference to the Malaysian Code of Corporate Governance 2021, an ESG Gap analysis, data gathering and drafting the ESG policy using the MMLR as a guideline, a routine audit of the property division and two follow-up audits in accordance with the ARMSC’s approved annual review schedule. 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 ARMSC.
  - 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 (Cont'd)

### 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 Group Management Committee Meeting and the Monthly Performance 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 ARMSC 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 ARMSC. There were no irregularities or breaches in this financial year.

### GROUP VENDOR CODE OF CONDUCT

There is a Group Vendor Code of Conduct, which sets standards of business practice that generally applies to all vendors of the Group. The areas of coverage in the Vendor Code of Conduct are Professional Conduct and Business Ethics, Compliance with Laws, Rules and Regulations, Human Rights and 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 (Cont'd)

### 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 2023, 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 21 June 2023.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. AUDIT AND NON-AUDIT FEES

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

	Group RM'000	Company RM'000
<b>Statutory Audit Fees:</b>		
By the Company's auditors	253	58
<b>Non-Audit Fees:</b>		
By the Company's auditors	15	6
By affiliated company of the Company's auditors (tax-related)	31	19
	46	25
<b>Total</b>	<b>299</b>	<b>83</b>

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.

### 2. 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 the financial year or which were entered into since the end of the previous financial year.

### 3. 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 until 12 February 2028. The ESS is the only share scheme of the Company in existence during the Financial Year ending 31 March 2023.

On 1 June 2022, ENRA made an offer of 6,100,000 ESOS Options under the ESS ("1st Award") to the eligible directors and employees of ENRA and its subsidiaries, of which 3,200,000 ESOS Options were allocated to the Directors of ENRA. As of 20 June 2023, none of the ESOS Options under the 1st Award have been accepted yet and, as such, no option or share grant has been awarded to any person pursuant to the ESS.

## 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 judgments and estimates that are prudent, and in compliance with all applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 disclosure with reasonable accuracy the financial position of the Company 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 21 June 2023.

# what's INSIDE

## FINANCIAL STATEMENTS

Directors' Report	80
Statement by Directors	88
Statutory Declaration	88
Independent Auditors' Report	89
Statements of Financial Position	95
Statements of Profit or Loss and Other Comprehensive Income	97
Consolidated Statement of Changes in Equity	99
Statement of Changes in Equity	101
Statements of Cash Flows	102
Notes to the Financial Statements	105

# 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 2023.

## PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are mainly property development and trading, investment holding, provision of project management of engineering, procurement, construction and commissioning and decommissioning for multi-discipline in oil & gas industries, provision of upstream and midstream infrastructure technology solution to the oil and gas industry, leasing and provision of related services, business of engineering, procurement and construction of civil works, steel structure, mechanical, piping and electrical and instrumental installation and business of supplying and installing energy saving lighting products. Further details of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries other than the newly additional principal activity of provision of maritime services and marine engineering related businesses arises from the newly incorporated subsidiary during the financial year.

## RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	(39,537)	(31,312)
Attributable to:		
Equity holders of the Company	(25,476)	(31,312)
Non-controlling interests	(14,061)	-
	(39,537)	(31,312)

## DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year.

The Directors do not recommend the payment of any dividend in respect of the current financial year.

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

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

## TREASURY SHARES

As at 31 March 2023, the Company held 1,289,400 treasury shares at a total cost of RM1,199,000.

Directors' Report  
(Cont'd)**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 ("Deed Poll").

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 ("Exercise Period");
- (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 2023.



## Directors' Report (Cont'd)

### EMPLOYEES' SHARES SCHEME ("ESS")

In the Extraordinary General Meeting on 9 February 2018, the Shareholders have approved the ESS comprising Employees' Option Scheme ("ESOS") and Employees' Share Grant ("ESG") that came into effect on 12 February 2018 for a period of 5 years up to 12 February 2023. Subsequently, the Company has extended the duration of the ESS for another 5 years to 12 February 2028.

On 1 June 2022, the Company made an offer of 6,100,000 ESOS Option under the ESS ("1st Award") to the eligible Directors and employees of the Company and its subsidiaries. The ESOS Option was offered in 2 tranches with the 1st tranche of 40% comprising 2,440,000 ESOS Option with no vesting period and the 2nd tranche of 60% comprising 3,660,000 ESOS Option with a vesting period of 1 year till 31 May 2023. The total number of outstanding ESOS Option granted under the ESOS as at year end is 6,100,000.

The main features of the ESOS are as follows:

- (a) The ESOS is made available to eligible employees and Directors (including non-executive Directors) (collectively as "Eligible Person") who are confirmed employees of the Company and its non-dormant subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- (b) The total number of shares offered under the ESOS shall not, in aggregate, exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares, if any) at any time during the existence of the ESOS;
- (c) The option price under the ESOS shall be the five-day weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate;
- (d) The maximum number of shares, which may be offered to an Eligible Person shall be at the sole discretion of the ESS Committee after taking into consideration, amongst others, the performance, targets, position, annual appraised performance, seniority and length of service of eligible employee's position, performance and length of service of the Eligible Person, or such other matters that the ESS Committee may in its sole discretion deem fit, subject to the following:
  - (i) not more than 10% of the shares available under the ESOS shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued ordinary shares of the Company (excluding treasury shares, if any).
- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESS Committee; and
- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

The number of options over ordinary shares under the option scheme was as follows:

Category of participants	Number of options over ordinary shares					
	Balance as at 1.4.2022	Granted	Forfeited*	Exercised	Balance as at 31.3.2023	Exercisable as at 31.3.2023
Directors	-	3,500,000	-	-	3,500,000	1,400,000
Key Management Personnel	-	2,100,000	(300,000)	-	1,800,000	720,000
Employee	-	500,000	-	-	500,000	200,000
	-	6,100,000	(300,000)	-	5,800,000	2,320,000

\* Due to resignation

Since the implementation of the ESOS, a total of 6,100,000 options had been granted to the eligible employees of the Group of which a total of 3,500,000 options had been granted to the Directors of the Company. None of the ESOS has been exercised since the implementation of the ESOS until the end of the financial year.

Directors' Report  
(Cont'd)**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  
Tan Sri Dato' Kamaluddin bin Abdullah\*  
Kok Kong Chin\*  
Tan Sri Dato' Seri Shamsul Azhar bin Abbas\*  
Dato' Wee Yiau Hin @ Ong Yiau Hin  
Loh Chen Yook  
Tunku Afwida binti Tunku Abdul Malek

\* 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)

Dato' Jasmy bin Ismail  
Dato' Yau Kok Seng  
Tam Yet Shyan  
Dato' Idzham Mohd Hashim bin Zahrain Mohd Hashim  
Lau Lee Hoong  
Anthony Ho Yin Kan  
Amir Ruqaimi bin Ngah  
Tan Sri Dato' Sri Mahamad Fathil bin Dato' Mahmood  
Abdul Ghofur bin Abdul Fatah  
Mohd Saiful Bahri bin Abdul Fatah  
Muhammad Saiful Haq bin Abdul Fatah  
Ikhlas bin Zainal  
Arif Badawi bin Kamaluddin  
Chan Rong Sheng  
Ahmad Zaki bin Ahmad Zainuddin  
Faizul bin Zainol

In accordance with Clause 18.3 of the Company's Constitution, Tan Sri Dato' Seri Shamsul Azhar bin Abbas and Tan Sri Dato' Kamaluddin bin Abdullah shall retire from the Board of the Company at the forthcoming Annual General Meeting ("AGM") and, being eligible, offer themselves for re-election.

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares, options over ordinary shares and/or warrants of the Company and of its related corporations during the financial year ended 31 March 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares		
	Balance as at 1.4.2022	Bought	Sold
			Balance as at 31.3.2023

#### Shares in the Company

##### Direct interests

Datuk Ali bin Abdul Kadir	4,900,000	-	-	4,900,000
Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	-	-	5,357,629
Kok Kong Chin	3,000,000	-	-	3,000,000
Dato' Wee Yiau Hin @ Ong Yiau Hin	1,000,000	-	-	1,000,000
Loh Chen Yook	5,566,300	-	-	5,566,300

##### Indirect interests

Tan Sri Dato' Kamaluddin bin Abdullah	35,362,000	-	-	35,362,000
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	2,000,000	-	-	2,000,000

	Number of warrants 2020/2025		
	Balance as at 1.4.2022	Bought	Sold
			Balance as at 31.3.2023

#### Warrants in the Company

##### Direct interests

Datuk Ali bin Abdul Kadir	1,523,333	-	-	1,523,333
Tan Sri Dato' Kamaluddin bin Abdullah	1,785,876	-	-	1,785,876
Kok Kong Chin	1,000,000	-	-	1,000,000
Dato' Wee Yiau Hin @ Ong Yiau Hin	333,333	-	-	333,333
Loh Chen Yook	6,999,565	-	-	6,999,565

##### Indirect interests

Tan Sri Dato' Kamaluddin bin Abdullah	11,787,332	-	-	11,787,332
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	666,666	-	-	666,666

	Number of options over ordinary shares		
	Balance as at 1.4.2022	Granted	Exercised
			Balance as at 31.3.2023

#### Share options in the Company

##### Direct interests

Datuk Ali bin Abdul Kadir	-	500,000	-	500,000
Dato' Wee Yiau Hin	-	300,000	-	300,000
Loh Chen Yook	-	300,000	-	300,000
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	-	400,000	-	400,000
Tan Sri Dato' Kamaluddin bin Abdullah	-	1,000,000	-	1,000,000
Kok Kong Chin	-	1,000,000	-	1,000,000

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS (CONT'D)

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' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) 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 related party transactions.

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 except for the warrants and share options granted pursuant to the ESOS.

### DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company during the financial year ended 31 March 2023 were as follows:

	<b>Group and Company RM'000</b>
Fees	372
Salaries	1,337
Other emoluments	715
Share options granted under ESOS	11
	<hr/> 2,435 <hr/>

### 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 RM23,828.

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

## Directors' Report (Cont'd)

### 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.

#### (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 amounts 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.

Directors' Report  
(Cont'd)**AUDITORS**

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2023 were as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Statutory audit	253	58
Other services	15	6
	268	64

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

**Tan Sri Dato' Kamaluddin bin Abdullah**  
Director

Kuala Lumpur  
18 July 2023

**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 95 to 168 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 2023 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Tan Sri Dato' Kamaluddin bin Abdullah**  
Director

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

Kuala Lumpur  
18 July 2023

## STATUTORY DECLARATION

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

I, Amir Ruqaimi bin Ngah (CA 38748), 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 95 to 168 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 )  
18 July 2023 )

**Amir Ruqaimi bin Ngah**

Before me,



# 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 2023 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 95 to 168.

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 2023 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' 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 property, plant and equipment

As at 31 March 2023, the carrying amount of the Group's marine equipment included in property, plant and equipment was RM57.10 million as disclosed in Note 4 to the financial statements.

The Group estimated the recoverable amount of the marine equipment using the higher of fair value less costs of disposal ("FVLCS") and Value in Use ("VIU"). For recoverable amount based on FVLCS, the Group engaged an independent valuer to assess the fair value of the marine equipment. The Group applies the VIU model based on 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 property, plant and equipment.

We determined this to be a key audit matter as impairment assessment of the carrying amount of marine equipment involved significant judgements and estimates by the Directors about the future results and key assumptions applied to cash flow projections of the CGU in determining its recoverable amount. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate.

# Independent Auditors' Report

## To The Members Of Enra Group Berhad (Incorporated In Malaysia)(Cont'd)

### Key Audit Matters (Cont'd)

#### (1) Impairment assessment of the carrying amount of property, plant and equipment (Cont'd)

##### **Audit response**

Our audit procedures to assess management's impairment testing based on VIU included the following:

- (a) enquired with business development teams to obtain an understanding of the status of negotiation and the likelihood of securing new revenue contracts, including timing of commencement and expected value of revenue contracts;
- (b) compared cash flow projections against recent performance and assessed the reasonableness of the key assumptions used by management in the cashflow forecast, projections by comparing to terms and conditions stipulated in the charter party agreements, available industry data, taken into consideration of comparability and market factors;
- (c) assessed whether the assumptions on the operating costs are supportable when compared to the past trends;
- (d) evaluated the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and risks specific to the asset; and
- (e) performed sensitivity analysis to stress test the key assumptions used by management in the impairment model.

Our audit procedures to assess management's impairment testing based on FVLCS are as follows:

- (a) Considered the independence, competence, capabilities and objectivity of the external valuer; and
- (b) Obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the marine equipment and assessed whether such methodology is consistent with those used in the industry.

In addition, we also evaluated the adequacy of the Group's disclosure of each key assumption on which the Group has based its cash flow projections and to which the CGU's recoverable amounts is most sensitive as disclosed in Note 4 to the financial statements.

#### (2) Impairment assessment of inventories

As at 31 March 2023, property held for sales of the Group were RM21.31 million and completed properties of the Group and Company were RM4.70 million respectively, as disclosed in Note 10 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.

##### **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;

## Independent Auditors' Report To The Members Of Enra Group Berhad (Incorporated In Malaysia)(Cont'd)

### Key Audit Matters (Cont'd)

#### (2) Impairment assessment of inventories (Cont'd)

##### *Audit response (Cont'd)*

Our audit procedures included the following: (Cont'd)

- (b) for those unsold completed units in Malaysia, we tested the carrying amount by obtaining the recent transacted prices of comparable development units in similar or nearby locations, and adjusted for the size of the units; and
- (c) for those unsold completed units outside Malaysia which did not have recent sale transactions, we have obtained the valuation report of inventories from an independent valuer and assessed management's impairment testing based on fair value less costs of disposal as follows:
  - (i) Considered the independence, competence, capabilities and objectivity of the external valuer; and
  - (ii) Obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the inventories and assessed whether such methodology is consistent with those used in the industry.

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

As at 31 March 2023, costs of investments in subsidiaries of the Company were RM24.45 million as disclosed in Note 6 to the financial statements of which an impairment of RM25.40 million was recognised during the financial year.

Management used the VIU approach based on 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.

##### *Audit response*

Our audit procedures included the following:

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

# Independent Auditors' Report

## To The Members Of Enra Group Berhad (Incorporated In Malaysia)(Cont'd)

### Key Audit Matters (Cont'd)

#### (4) Impairment assessment of the carrying amounts of amounts due from subsidiaries

As at 31 March 2023, amounts due from subsidiaries of the Company amounted to RM83.93 million as disclosed in Note 11 to the financial statements of which an impairment of RM3.42 million was recognised during the financial year.

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 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;
- (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)(Cont'd)

### 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)(Cont'd)

#### 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 6 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**

201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Kuala Lumpur  
18 July 2023

**Lee Wee Hoong**

03316/07/2023 J  
Chartered Accountant

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		Group	Company		
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	62,949	65,381	134	164
Right-of-use assets	5	8,870	9,110	141	66
Investments in subsidiaries	6	-	-	24,448	38,580
Intangible assets	7	-	400	-	-
Deferred tax assets	9	-	-	-	-
Contract assets	12	168	276	-	-
		71,987	75,167	24,723	38,810
Current assets					
Inventories	10	59,984	72,072	4,699	4,602
Trade and other receivables	11	6,906	18,629	80,960	79,196
Contract assets	12	1,140	1,046	-	-
Derivative assets	13	98	-	41	-
Current tax assets		212	124	-	-
Cash and bank balances and short term funds	14	12,794	20,287	4,558	9,883
		81,134	112,158	90,258	93,681
TOTAL ASSETS		153,121	187,325	114,981	132,491
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	15	144,744	144,744	144,744	144,744
Redeemable convertible preference shares equity	16	2,886	2,886	-	-
Treasury shares	17	(1,199)	(1,199)	(1,199)	(1,199)
Non-distributable reserves	18	1,987	532	18	-
Accumulated losses		(61,132)	(35,656)	(44,322)	(13,010)
		87,286	111,307	99,241	130,535
Non-controlling interests		(1,060)	2,087	-	-
TOTAL EQUITY		86,226	113,394	99,241	130,535

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

## Statements Of Financial Position

### As At 31 March 2023 (Cont'd)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES (Cont'd)					
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	9	-	-	-	-
Trade and other payables	19	22,830	22,833	-	-
Borrowings	20	721	-	-	-
Lease liabilities	5	1,540	1,495	48	-
Redeemable convertible preference shares	16	6,434	6,959	-	-
		31,525	31,287	48	-
Current liabilities					
Trade and other payables	19	19,498	37,244	2,348	1,894
Contract liability	12	1,192	962	-	-
Borrowings	20	13,251	3,877	13,251	-
Lease liabilities	5	96	125	93	62
Redeemable convertible preference shares	16	1,057	-	-	-
Current tax liabilities		276	436	-	-
		35,370	42,644	15,692	1,956
TOTAL LIABILITIES		66,895	73,931	15,740	1,956
TOTAL EQUITY AND LIABILITIES		153,121	187,325	114,981	132,491

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 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Continuing operations</b>					
Revenue	23	30,479	62,707	-	24,391
Cost of sales		(32,388)	(42,854)	-	-
Gross (loss)/profit		(1,909)	19,853	-	24,391
Other income		1,554	21,043	5,934	4,347
Net reversal on impairment of financial assets		-	3	-	-
Administrative expenses		(37,479)	(32,284)	(36,259)	(17,565)
Other expenses		(39)	(385)	(54)	(57)
Lease interest expense		(124)	(143)	(3)	(6)
Finance costs	24	(1,479)	(1,838)	(928)	(302)
(Loss)/Profit before tax	25	(39,476)	6,249	(31,310)	10,808
Tax expense	26	(61)	(653)	(2)	(12)
(Loss)/Profit for the financial year		(39,537)	5,596	(31,312)	10,796
<b>Discontinued operations</b>					
Profit for the financial year from discontinued operations	6(d)	-	569	-	-
(Loss)/Profit for the financial year		(39,537)	6,165	(31,312)	10,796
Other comprehensive income:					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations, net of tax		2,487	50	-	-
Total comprehensive (loss)/income		(37,050)	6,215	(31,312)	10,796

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 2023 (Cont'd)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit attributable to:					
Equity holders of the Company		<b>(25,476)</b>	7,319	<b>(31,312)</b>	10,796
Non-controlling interests		<b>(14,061)</b>	(1,154)	-	-
		<b>(39,537)</b>	6,165	<b>(31,312)</b>	10,796
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		<b>(24,039)</b>	7,035	<b>(31,312)</b>	10,796
Non-controlling interests		<b>(13,011)</b>	(820)	-	-
		<b>(37,050)</b>	6,215	<b>(31,312)</b>	10,796
(Loss)/Earnings per ordinary share attributable to equity holders of the Company (sen):					
From continuing operations		<b>(18.88)</b>	5.00		
From discontinued operations		-	0.42		
Basic	28	<b>(18.88)</b>	5.42		
From continuing operations		<b>(18.88)</b>	5.00		
From discontinued operations		-	0.42		
Diluted	28	<b>(18.88)</b>	5.42		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Group	Note	Share capital RM'000	Redeemable convertible preference shares RM'000	Share options reserve RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Balance as at 1 April 2022</b>		144,744	2,886	-	532	(1,199)	(35,656)	111,307	2,087	113,394
Loss for the financial year		-	-	-	-	-	(25,476)	(25,476)	(14,061)	(39,537)
Other comprehensive loss, net of tax		-	-	-	1,437	-	-	1,437	1,050	2,487
Total comprehensive income/(loss)		-	-	-	1,437	-	(25,476)	(24,039)	(13,011)	(37,050)
<b>Transactions with owners</b>										
Issue of shares by a subsidiary to a non-controlling interest		-	-	-	-	-	-	-	30	30
Issuance of capital contribution reserve to non-controlling interests		-	-	-	-	-	-	-	10,380	10,380
Repayment of capital contribution to non-controlling interests	6(f)	-	-	-	-	-	-	-	(546)	(546)
Share options granted under ESOS		-	-	18	-	-	-	18	-	18
Total transactions with owners		-	-	18	-	-	-	18	9,864	9,882
<b>Balance as at 31 March 2023</b>		<b>144,744</b>	<b>2,886</b>	<b>18</b>	<b>1,969</b>	<b>(1,199)</b>	<b>(61,132)</b>	<b>87,286</b>	<b>(1,060)</b>	<b>86,226</b>

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

## Consolidated Statement Of Changes In Equity

### For The Financial Year Ended 31 March 2023 (Cont'd)

Group	Note	Share capital RM'000	Redeemable convertible preference shares RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Balance as at 1 April 2021</b>		144,744	2,886	816	(1,199)	(32,991)	114,256	3,965	118,221
Profit for the financial year		-	-	-	-	7,319	7,319	(1,154)	6,165
Other comprehensive income, net of tax		-	-	(284)	-	-	(284)	334	50
Total comprehensive income		-	-	(284)	-	7,319	7,035	(820)	6,215
<b>Transactions with owners</b>									
Dividends to equity holders of the Company	29	-	-	-	-	(9,984)	(9,984)	-	(9,984)
Repayment of capital contribution to non-controlling interests	6(f)	-	-	-	-	-	-	(1,058)	(1,058)
Total transactions with owners		-	-	-	-	(9,984)	(9,984)	(1,058)	(11,042)
<b>Balance as at 31 March 2022</b>		144,744	2,886	532	(1,199)	(35,656)	111,307	2,087	113,394

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

# STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Company	Note	Share capital RM'000	Share options reserve RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total Equity RM'000
<b>Balance as at 1 April 2021</b>		144,744	-	(1,199)	(13,822)	129,723
Profit for the financial year		-	-	-	10,796	10,796
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	10,796	10,796
<b>Transaction with owners</b>						
Dividends	29	-	-	-	(9,984)	(9,984)
<b>Balance as at 31 March 2022/ 1 April 2022</b>		144,744	-	(1,199)	(13,010)	130,535
Loss for the financial year		-	-	-	(31,312)	(31,312)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(31,312)	(31,312)
<b>Transaction with owners</b>						
Share options granted under ESOS		-	18	-	-	18
<b>Balance as at 31 March 2023</b>		<b>144,744</b>	<b>18</b>	<b>(1,199)</b>	<b>(44,322)</b>	<b>99,241</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before tax					
Continuing operations		<b>(39,476)</b>	6,249	<b>(31,310)</b>	10,808
Discontinued operations		-	808	-	
Adjustments for:					
Impairment loss on goodwill	7	<b>400</b>	-	-	-
Impairment loss on amounts owing by subsidiaries	11(i)	-	-	<b>3,419</b>	-
Impairment loss on investment in subsidiaries	6(g)	-	-	<b>25,395</b>	2,526
Impairment loss on property, plant and equipment	4(c)	-	9,006	-	-
Fair value loss/(gain) on short term funds	25	<b>4</b>	(14)	<b>4</b>	(14)
Reversal of impairment loss on trade receivables	11(i)	-	(3)	-	-
Inventories written down	10(c)	<b>13,481</b>	241	-	-
Depreciation of property, plant and equipment	4	<b>5,668</b>	7,614	<b>33</b>	34
Amortisation of right-of-use assets	5	<b>403</b>	715	<b>88</b>	121
Amortisation of intangible assets	7	-	199	-	-
Fair value (gain)/loss on derivatives	13(c)	<b>(98)</b>	553	<b>(41)</b>	-
Loss on disposal of property, plant and equipment	25	-	69	-	69
Gain on disposal of subsidiaries	6(d)	-	(19,588)	-	-
Unrealised gain on foreign exchange	25	<b>(805)</b>	(633)	-	-
Interest expense:					
- Unwinding of discount (RCPS)	16	<b>532</b>	494	-	-
- Unwinding of lease interest	5	<b>124</b>	225	<b>3</b>	6
- Borrowings		<b>947</b>	1,344	<b>928</b>	302
Dividend income		-	-	-	(24,391)
Interest income		<b>(115)</b>	(235)	<b>(5,015)</b>	(3,612)
Bad debts written off		<b>723</b>	-	<b>723</b>	-
Share options granted under ESOS		<b>18</b>	-	<b>18</b>	-
Operating (loss)/profit before changes in working capital		<b>(18,194)</b>	7,044	<b>(5,755)</b>	(14,151)
Decrease in contract assets		-	2,220	-	-
Decrease/(Increase) in inventories		<b>(1,570)</b>	(13,072)	<b>(97)</b>	(42)
Decrease/(Increase) in trade and other receivables		<b>11,531</b>	(10,674)	<b>(60)</b>	63
Increase in contract liabilities		-	962	-	-
(Decrease)/Increase in trade and other payables		<b>(7,699)</b>	16,217	<b>(1,571)</b>	48
Cash (used in)/from operations		<b>(15,932)</b>	2,697	<b>(7,483)</b>	(14,082)
Tax paid		<b>(175)</b>	(512)	<b>(2)</b>	-
Tax refunded		-	634	-	366
Net cash (used in)/from operating activities		<b>(16,107)</b>	2,819	<b>(7,485)</b>	(13,716)

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (Cont'd)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received		115	235	5,015	3,612
Uplift/(Placement) of fixed deposits pledged		1,955	(674)	-	-
Proceeds from disposal of property, plant and equipment		-	11	-	11
Proceeds from disposal of subsidiaries, net of cash	6(d)	-	41,896	-	-
Purchase of property, plant and equipment	4	(6)	(1,504)	(3)	(65)
Contingent consideration paid	19(d)	-	(2,456)	-	-
Equity contributions to subsidiaries	6	-	-	(10,263)	-
Advances (to)/from subsidiaries		-	-	(4,825)	6,197
Net cash from/(used in) investing activities		2,064	37,508	(10,076)	9,755
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(947)	(1,344)	(928)	(302)
Dividends received		-	-	-	24,391
Dividends paid to:					
- equity holders of the Company	29	-	(9,984)	-	(9,984)
Repayment of lease liabilities	5(e)	(271)	(675)	(87)	(136)
Repayment of capital contribution from non-controlling interests		(546)	(1,058)	-	-
Drawdown of other borrowings		13,972	6,753	13,251	-
Repayments of:					
- other borrowings		(1,370)	(8,630)	-	(8,000)
- term loans		(2,507)	(39,912)	-	-
Net cash from/(used in) financing activities		8,331	(54,850)	12,236	5,969
Net (decrease)/increase in cash and cash equivalents		(5,712)	(14,523)	(5,325)	2,008
Cash and cash equivalents at beginning of financial year		16,051	30,510	7,783	5,775
Effects of exchange rate changes on cash and cash equivalents		174	64	-	-
Cash and cash equivalents at end of financial year	14(h)	10,513	16,051	2,458	7,783

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

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (Cont'd)

Reconciliation of liabilities arising from financial activities:

	Other borrowings (Note 20)		Term loans (Note 20)		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 2022	1,370	-	2,507	-	1,620	62
Cash flows	12,602	13,251	(2,507)	-	(271)	(87)
Non-cash flows:						
- Unwinding of interest	-	-	-	-	124	3
- Remeasurement	-	-	-	-	163	163
At 31 March 2023	<b>13,972</b>	<b>13,251</b>	<b>-</b>	<b>-</b>	<b>1,636</b>	<b>141</b>
At 1 April 2021	10,076	8,000	50,078	-	2,661	46
Cash flows	(1,877)	(8,000)	(39,912)	-	(675)	(136)
Non-cash flows:						
- Additions	-	-	-	-	146	146
- Unwinding of interest	-	-	-	-	225	6
- Unrealised forex exchange	-	-	(125)	-	683	-
- Disposal of subsidiaries	(6,829)	-	(7,534)	-	(1,420)	-
At 31 March 2022	1,370	-	2,507	-	1,620	62

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



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

## 1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at 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 2023 comprise the Company and its subsidiaries. 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 18 July 2023.

## 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 mainly property development and trading, investment holding, provision of project management of engineering, procurement, construction and commissioning and decommissioning for multi-discipline in oil & gas industries, provision of upstream and midstream infrastructure technology solution to the oil and gas industry, leasing and provision of related services, business of engineering, procurement and construction of civil works, steel structure, mechanical, piping and electrical and instrumental installation and business of supplying and installing energy saving lighting products. Further details of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries other than the newly additional principal activity of provision of maritime services and marine engineering related businesses arises from the newly incorporated subsidiary during the financial year.

## 3. BASIS OF PREPARATION

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

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 38.1 to the financial statements.

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 2023

### (Cont'd)

#### 4. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at			Depreciation		Balance
2023	1.4.2022	Additions	Reclassifi- cation	charge for the year	Exchange adjustment	as at
	RM'000	RM'000	RM'000	RM'000	RM'000	31.3.2023 RM'000
<b>Carrying amount</b>						
Furniture, fittings, renovation and office equipment	150	5	-	(24)	-	131
Computer hardware and software	91	1	-	(38)	-	54
Plant and machinery	6,160	-	-	(807)	308	5,661
Marine equipment	58,980	-	#	(4,799)	2,922	57,103
	65,381	6	-	(5,668)	3,230	62,949

	At 31.3.2023			
	Cost	Accumulated depreciation	Accumulated impairment	Carrying amount
	RM'000	RM'000	RM'000	RM'000
Furniture, fittings, renovation and office equipment	257	(126)	-	131
Computer hardware and software	417	(363)	-	54
Plant and machinery	7,993	(2,332)	-	5,661
Marine equipment	83,892	(17,281)	(9,508)	57,103
	92,559	(20,102)	(9,508)	62,949

# Reclassification of marine equipment from right-of-use asset with RM nil carrying amount

Notes To The Financial Statements  
31 March 2023  
(Cont'd)

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

Group	Balance as at 1.4.2021 RM'000	Additions RM'000	Reclassifi- cation RM'000	Disposal RM'000	Impairment RM'000	Disposal of subsidiary (Note 6) RM'000	Depreciation charge for the year RM'000	Exchange adjustment RM'000	Balance as at 31.3.2022 RM'000
<b>Carrying amount</b>									
Freehold land	4,845	-	-	-	-	(4,726)	-	(119)	-
Building	332	-	-	-	-	(408)	(31)	107	-
Furniture, fittings, renovation and office equipment	1,028	184	36	(79)	-	(775)	(239)	(5)	150
Computer hardware and software	121	164	-	(1)	-	(133)	(55)	(5)	91
Motor vehicles	185	125	#	-	-	(201)	(87)	(22)	-
Plant and machinery	10,385	1,031	7,721	-	-	(11,816)	(1,143)	(18)	6,160
Marine equipment	73,349	-	-	-	(9,006)	-	(6,059)	696	58,980
Capital work in progress	10,279	-	(10,145)*	-	-	(122)	-	(12)	-
	100,524	1,504	(2,388)	(80)	(9,006)	(18,181)	(7,614)	622	65,381
Freehold land				-	-	-	-	-	-
Building				-	-	-	-	-	-
Furniture, fittings, renovation and office equipment				252	-	-	(102)	-	150
Computer hardware and software				416	-	-	(325)	-	91
Motor vehicles				-	-	-	-	-	-
Plant and machinery				7,622	-	-	(1,462)	-	6,160
Marine equipment				79,930	-	-	(11,944)	(9,006)	58,980
Capital work in progress				-	-	-	-	-	-
				88,220	-	-	(13,833)	(9,006)	65,381

At 31.3.2022

Accumulated depreciation  
Cost RM'000      Accumulated impairment  
RM'000      Carrying amount  
RM'000

#      Reclassification of motor vehicle from right-of-use asset with RM nil carrying amount

\*      Included in the reclassification of capital work in progress is an amount of RM2,388,000 reclassified to inventories

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

Company	Balance as at 1.4.2022 RM'000	Additions RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2023 RM'000
<b>2023</b>				
<b>Carrying amount</b>				
Furniture, fittings, renovation and office equipment	145	3	(23)	125
Computer hardware and software	19	-	(10)	9
	<b>164</b>	<b>3</b>	<b>(33)</b>	<b>134</b>

	At 31.3.2023		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture, fittings, renovation and office equipment	237	(112)	125
Computer hardware and software	297	(288)	9
	<b>534</b>	<b>(400)</b>	<b>134</b>

Company	Balance as at 1.4.2021 RM'000	Additions RM'000	Reclassifi- cation RM'000	Disposal RM'000	Depreciation charge for the year RM'000	Balance as at 31.3.2022 RM'000
<b>2022</b>						
<b>Carrying amount</b>						
Furniture, fittings, renovation and office equipment	187	61	-	(79)	(24)	145
Motor vehicle	-	-	#	-	-	-
Computer hardware and software	26	4	-	(1)	(10)	19
	<b>213</b>	<b>65</b>	<b>-</b>	<b>(80)</b>	<b>(34)</b>	<b>164</b>

# Reclassification of motor vehicle from right-of-use asset with RM nil carrying amount

	At 31.3.2022		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture, fittings, renovation and office equipment	234	(89)	145
Computer hardware and software	297	(278)	19
	<b>531</b>	<b>(367)</b>	<b>164</b>

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

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

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%

- (c) Impairment assessment

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

In the previous financial year, the Group had recognised an impairment loss of RM9,006,000 on marine equipment, as a result of expiration and subsequent non-renewal of a service agreement with a customer subsequent to the financial year ended 31 March 2022 in a Cash Generating Unit ("CGU") within the Energy Service operating segment.

Recoverable amount was based on the higher of fair value less cost of disposal ("FVLCD") or value in use ("VIU"), and determined at the CGU of each asset.

- i) Recoverable amount determined from VIU:

In the previous financial year, the Group estimated the recoverable amount for impaired marine equipment of RM52,098,000 based on the assumptions that replacement service agreement with another customer will be secured within the financial year ended 31 March 2023 or on a worst case scenario, disposal of these marine equipment at its fair value less cost to sell within the same financial year. Due to inherent uncertainty arising from the outcome of contract tendering process currently undertaken, the VIU is determined based on the following scenarios:

	2022	
	Worst case	Base case
<b>Key assumptions</b>		
Weightage	66%	34%
Cash flow projections period	1 year	5 years
Profit margin	48%	48%
Discount rate	4.9%	4.9%

- ii) Recoverable amount determined from fair value less costs of disposal:

The fair value of certain marine equipment was determined based on valuation performed by independent valuer based on comparable vessel and offshore floating assets.

No impairment was recognised as the recoverable amount of these marine equipment were higher than its carrying amount as at the end of the period.

## Notes To The Financial Statements

### 31 March 2023

### (Cont'd)

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

##### (c) Impairment assessment (Cont'd)

Both fair value measurement and VIU were categorised as Level 3 fair value as defined in Note 35(c) to the financial statements.

During the financial year, the management have re-assessed the recoverable amount of the marine equipment. Recoverable amount was determined based on the VIU of the marine equipment.

The Group estimated the recoverable amount for marine equipment of RM53,016,000 based on the assumptions that the revenue is only generated from fixed base rent as per new service agreements secured during the financial year or on a second scenario, the revenue is generated from fixed base rent as well as variable base rent. Due to inherent uncertainty arising from the outcome of revenue generated, the VIU is determined based on the following scenarios:

	2023	
	Scenario 1	Scenario 2
<b>Key assumptions</b>		
Weightage	50%	50%
Cash flow projections period	5 years	5 years
Revenue generated (RM'000)	53,949	76,520
Discount rate	8.0%	8.0%

Based on the above impairment assessment, the recoverable amount of the marine equipment based on VIU is higher than the carrying amount of marine equipment, therefore, no further impairment loss is required.

- (d) In the previous financial year, certain marine equipment of the Group with a carrying amount of RM58,906,000 has been charged as securities for banking facilities granted to the Group as disclosed in Note 21(b) to the financial statements.

As at the end of the reporting period, the marine equipment of the Group is effectively free from any encumbrances as disclosed in Note 21(b) to the financial statements.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

##### The Group and the Company as lessee

##### (a) Right-of-use assets

Group	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Office equipment RM'000	Marine equipment RM'000	Total RM'000
<b>Cost</b>						
<b>At 1 April 2021</b>	10,721	4,748	1,090	48	453	17,060
Addition	-	146	-	-	-	146
Derecognition upon expiration/Early termination	-	(1,165)	-	-	-	(1,165)
Exchange adjustment	-	778	64	-	-	842
Disposal of subsidiary	(1,274)	(4,077)	(970)	(48)	-	(6,369)
Reclassification to property, plant and equipment	-	-	(184)	-	-	(184)
<b>At 31 March 2022/ 1 April 2022</b>	9,447	430	-	-	453	10,330
Reclassification	-	-	-	-	#	-
Remeasurement	-	163	-	-	-	163
<b>At 31 March 2023</b>	9,447	593	-	-	453	10,493
<b>Accumulated amortisation</b>						
<b>At 1 April 2021</b>	456	3,836	1,031	48	151	5,522
Amortisation charged for the year	163	400	-	-	152	715
Derecognition upon expiration/Early termination	-	(1,165)	-	-	-	(1,165)
Exchange adjustment	-	-	-	-	-	-
Disposal of subsidiary	(65)	(2,708)	(847)	(48)	-	(3,668)
Reclassification to property, plant and equipment	-	-	(184)	-	-	(184)
<b>At 31 March 2022/ 1 April 2022</b>	554	363	-	-	303	1,220
Amortisation charged for the year	164	89	-	-	150	403
<b>At 31 March 2023</b>	718	452	-	-	453	1,623
<b>Net carrying amount</b>						
<b>At 31 March 2022</b>	8,893	67	-	-	150	9,110
<b>At 31 March 2023</b>	8,729	141	-	-	-	8,870

# Reclassification of marine equipment to property, plant and equipment with RM nil carrying amount

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 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
<b>Cost</b>				
<b>At 1 April 2021</b>	1,164	184	334	1,682
Addition	146	-	-	146
Derecognition upon expiration/ Early termination	(1,164)	-	(334)	(1,498)
Reclassification to property, plant and equipment	-	(184)	-	(184)
<b>At 31 March 2022/1 April 2022</b>	146	-	-	146
Remeasurement	163	-	-	163
<b>At 31 March 2023</b>	<b>309</b>	<b>-</b>	<b>-</b>	<b>309</b>
<b>Accumulated amortisation</b>				
<b>At 1 April 2021</b>	1,123	184	334	1,641
Amortisation charged for the year	121	-	-	121
Derecognition upon expiration/ Early termination	(1,164)	-	(334)	(1,498)
Reclassification to property, plant and equipment	-	(184)	-	(184)
<b>At 31 March 2022/1 April 2022</b>	80	-	-	80
Amortisation charged for the year	88	-	-	88
<b>At 31 March 2023</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>168</b>
<b>Net carrying amount</b>				
<b>At 31 March 2022</b>	66	-	-	66
<b>At 31 March 2023</b>	<b>141</b>	<b>-</b>	<b>-</b>	<b>141</b>



# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 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 and marine equipment and they are initially recorded at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

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

##### (b) Lease liabilities

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>				
Lease liabilities	1,540	1,495	48	-
<b>Current</b>				
Lease liabilities	96	125	93	62
<b>Total lease liabilities</b>	<b>1,636</b>	<b>1,620</b>	<b>141</b>	<b>62</b>

Represented by:

Lease liabilities owing to non-financial institutions	1,636	1,620	141	62
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- (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 2023

(Cont'd)

#### 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>At beginning of financial year</b>	<b>1,620</b>	2,661	<b>62</b>	46
Addition	-	146	-	146
Remeasurement	<b>163</b>	-	<b>163</b>	-
Interest charged	<b>124</b>	225	<b>3</b>	6
Lease payments	<b>(271)</b>	(675)	<b>(87)</b>	(136)
Exchange adjustment	-	683	-	-
Disposal of subsidiary	-	(1,420)	-	-
<b>At end of financial year</b>	<b>1,636</b>	1,620	<b>141</b>	62

(iii) The weighted average incremental borrowing rate applied to the lease liabilities of the Group and of the Company is 7.41% and 5.27% respectively (2022: 6.27% and 5.27% respectively).

(iv) Lease liabilities are denominated in RM.

(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.

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amortisation charge of right-of-use assets (included in cost of sales)	<b>150</b>	152	-	-
Amortisation charge of right-of-use assets (included in administrative expenses)	<b>253</b>	563	<b>88</b>	121
Interest expense on lease liabilities	<b>124</b>	225	<b>3</b>	6
Expense relating to short-term leases (included in administrative expenses)	<b>225</b>	-	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	<b>16</b>	25	<b>4</b>	4
	<b>768</b>	965	<b>95</b>	131

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

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

(e) The following are the total cash outflows for leases as a lessee:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Included in net cash from operating activities:</b>				
Payment relating to short-term leases and low value assets	241	25	4	4
<b>Included in net cash from financing activities:</b>				
Payment of lease liabilities	271	675	87	136
<b>Total cash outflows for leases</b>	<b>512</b>	<b>700</b>	<b>91</b>	<b>140</b>

##### The Group as a lessor

The Group has entered into a lease agreement on certain marine equipment on which the monthly rental consist of fixed base rent.

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

	Group	
	2023	2022
	RM'000	RM'000
Less than one (1) year	7,672	2,349
One (1) to two (2) years	9,206	-
Two (2) to three (3) years	8,589	-
Three (3) to four (4) years	7,319	-
Four (4) to five (5) years	7,090	-
More than five (5) years	1,182	-
	<b>41,058</b>	<b>2,349</b>

#### 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Unquoted equity shares, at cost	11,146	10,146
Less: Impairment losses	(2,340)	-
	<b>8,806</b>	<b>10,146</b>
Equity contributions to subsidiaries	52,924	42,661
Less: Accumulated impairment losses	(37,282)	(14,227)
	<b>24,448</b>	<b>38,580</b>

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (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.

- (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

##### Incorporation of a subsidiary, MSMENRA Sdn. Bhd. ("MSMENRA")

The wholly-owned subsidiary of the Company, ENRA Engineering Solutions Sdn. Bhd. ("EESSB") had on 1 June 2022 incorporated a new subsidiary known as MSMENRA, with a paid-up share capital of RM100,000 comprising of 100,000 ordinary shares. EESSB held 70% of the ordinary shares while the remaining 30% of the ordinary shares is held by a non-controlling interest.

##### Internal restructuring of ENRA IOL Sdn Bhd ("EIOL")

During the year, the Company made an internal restructuring involving a transfer of 100% shares in EIOL held by ENRA Engineering and Fabrication Sdn. Bhd. ("EEFAB") to ENRA Group Berhad ("EGB") by way of offsetting the amount owing from EEFAB amounting to RM1,000,000.

##### Internal restructuring of EESSB

During the year, the Company made an internal restructuring involving a transfer of 100% shares in EESSB held by ENRA Energy Sdn. Bhd. ("EESB") to ENRA Engineering and Construction Sdn. Bhd. ("EECSB") by way of offsetting the amount owing from EESB.

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

##### Divestment of the entire issued share capital of ENRA Kimia Sdn Bhd ("ENRA Kimia") and its subsidiaries

On 23 July 2021, ENRA Energy Sdn. Bhd., a wholly-owned subsidiary of the Company had received and accepted a Letter of Offer ("LO") dated the same date from Hextar Global Berhad ("Hextar Global") and Ekopintar Sdn Bhd ("Ekopintar"), (collectively the "Acquirors") to acquire the entire issued share capital of its subsidiary, ENRA Kimia for a total cash consideration of RM50.00 million ("Purchase Consideration").

Ekopintar, is determined as a related party to the Company in view of Dato' Mazlin bin Md Junid ("Dato' Mazlin"), the then President and Group CEO of the Company, owning 50% of the issued and paid up share capital of Ekopintar and also a Director of Ekopintar. Subsequently, the Group's divestment of ENRA Kimia and its subsidiaries (collectively known as "ENRA Kimia Group") was approved by the Company's shareholders via the Company's Extraordinary General Meeting held on 22 October 2021.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Divestment of the entire issued share capital of ENRA Kimia Sdn Bhd ("ENRA Kimia") and its subsidiaries (Cont'd)

The proposed divestment of ENRA Kimia Group was completed on 30 November 2021 in accordance with the terms and conditions of the agreements.

Profit attributable to the discontinued operations was as follows:

	<b>Group 2022 RM'000</b>
<b>Results of discontinued operations</b>	
Revenue	25,609
Expenses	(24,801)
Results from operating activities	808
Taxation	(239)
Results from operating activities, net of tax	569
Gain on sale of discontinued operations	19,588
Profit for the financial year	20,157

Details of the assets, liabilities and net cash inflow arising from the disposal of ENRA Kimia during the financial year ended 31 March 2022 are as follows:

	<b>Note</b>	<b>As at date of disposal RM'000</b>
<b>Assets/(Liabilities) disposed:</b>		
Property, plant and equipment	4	18,181
Right-of-use assets		2,701
Intangible assets	7	7,513
Contract assets	12	107
Contract cost		360
Trade and other receivables		7,998
Inventories		5,488
Cash and cash equivalents		7,535
Deferred tax liabilities	9	(457)
Trade and other payables		(3,464)
Borrowing		(14,363)
Current tax liabilities		(336)
Lease liabilities	5(b)(ii)	(1,420)
Expenses relating to disposal of subsidiaries		569
Gain on disposal of subsidiaries		19,588
Disposal consideration		50,000
Payment of expenses relating to disposal of subsidiaries		(569)
Cash and cash equivalents disposed		(7,535)
Net inflow from disposal of subsidiaries		41,896

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Divestment of the entire issued share capital of ENRA Kimia Sdn Bhd ("ENRA Kimia") and its subsidiaries (Cont'd)

The gain on disposal of subsidiaries of the Group in the previous financial year is as follows:

	<b>Group 2022 RM'000</b>
Total disposal proceeds	50,000
Carrying amount of ENRA Kimia's net asset at disposal date	(29,843)
Expenses relating to disposal of subsidiaries	(569)
<b>Gain on disposal of the subsidiaries</b>	<b>19,588</b>

- (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
		2023 %	2022 %	
ENRA Labuan Sdn. Bhd.	Malaysia	100	100	Property development
ENRA Land Sdn. Bhd.	Malaysia	100	100	Investment holding
ENRA Energy Sdn. Bhd.	Malaysia	100	100	Investment holding
ENRA Engineering & Construction Sdn. Bhd.	Malaysia	100	100	Investment holding
ENRA IOL Sdn. Bhd.	Malaysia	51	-	Business of supplying and installing energy saving lighting products
<b>Subsidiaries of ENRA Energy Sdn. Bhd.</b>				
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

## 31 March 2023

### (Cont'd)

#### 6. 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
		2023 %	2022 %	
Subsidiary of ENRA Oil & Gas Services Sdn. Bhd.				
ENRA SPM Sdn. Bhd.	Malaysia	60	60	Leasing and provision of related services
Subsidiary of ENRA SPM Sdn. Bhd.				
ENRA SPM Labuan Limited	Malaysia	60	60	Leasing services
Subsidiaries 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
ENRA Energy Solutions Sdn. Bhd.	Malaysia	100	-	Provision of upstream and midstream infrastructure technology solution to the oil and gas industry
Subsidiary of ENRA Engineering and Fabrication Sdn. Bhd.				
ENRA IOL Sdn. Bhd.	Malaysia	-	51	Business of supplying and installing energy saving lighting products
Subsidiary of ENRA Energy Solutions Sdn. Bhd.				
MSMENRA Sdn. Bhd.^	Malaysia	70	-	Maritime services and marine engineering related businesses

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. 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
		2023 %	2022 %	
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.	Malaysia	100	100	Property development and trading
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.	Malaysia	51	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
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 not audited by BDO Member firms

^ The Company is newly incorporated during the financial year



# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. 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	Other non- material NCI RM'000
<b>2023</b>						
NCI percentage of ownership interest and voting interest	40%	25%	49%	49%	49%	30%
Carrying amount of NCI	(107) <sup>~</sup>	(3,503)	1,026	1,591 <sup>^</sup>	(97)	30 <sup>#</sup>
(Loss)/Profit allocated to NCI	(6,647)	(19)	17	(7,377)	(35)	@
Total comprehensive (loss)/income	(5,490)	4	17	(7,507)	(35)	@
Dividends paid to NCI	-	-	-	-	-	-
<b>2022</b>						
NCI percentage of ownership interest and voting interest	40%	25%	49%	49%	49%	N/A
Carrying amount of NCI	5,929 <sup>*</sup>	(3,507)	1,009	(1,282)	(62)	-
(Loss)/Profit allocated to NCI	(110)	(87)	349	(1,210)	(96)	-
Total comprehensive income/(loss)	154	(66)	349	(1,161)	(96)	-
Dividends paid to NCI	-	-	-	-	-	-

~ During the financial year, ESPM has made repayment of capital contribution to NCI amounting to RM546,000.

^ During the financial year, the amount owing by ASLL to NCI amounting to RM10,380,000 is reclassified to capital contribution reserve.

# During the financial year, the subsidiary of EESSB has issued shares to NCI amounting to RM30,000.

\* In the previous financial year, ESPM has made repayment of capital contribution to NCI amounting to RM1,058,000.

@ Amount is immaterial to disclose.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. 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	Other non- material NCI RM'000
<b>2023</b>						
<b>Assets and liabilities</b>						
Non-current assets	62,766	-	245	-	28	-
Current assets	8,194	161	1,898	21,339	39,471	100
Non-current liabilities	-	-	-	-	(22,668)	-
Current liabilities	(69,973)	(2,606)	(49)	(18,881)	(11,498)	(5)
Net assets/(liabilities)	987	(2,445)	2,094	2,458	5,333	95
<b>Results</b>						
Revenue	23,641	161	22	-	952	-
(Loss)/Profit for the financial year	(16,618)	(75)	35	(15,055)	(72)	(1)
Total comprehensive (loss)/income	(13,723)	16	35	(15,321)	(72)	(1)
Cash flows (used in)/ from operating activities	(5,942)	28	290	51	1,289	*
Cash flows from/ (used in) investing activities	17,251	-	-	-	(3,087)	-
Cash flows (used in)/ from financing activities	(3,298)	38	-	216	734	100
Net increase/ (decrease) in cash and cash equivalents	8,011	66	290	266	(1,064)	100

\* Amount is immaterial to disclose.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 6. 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
<b>2022</b>					
<b>Assets and liabilities</b>					
Non-current assets	65,292	-	424	-	34
Current assets	18,769	439	1,754	32,390	36,523
Non-current liabilities	-	-	-	-	(22,669)
Current liabilities	(66,902)	(2,903)	(119)	(35,370)	(8,483)
Net assets/(liabilities)	17,159	(2,464)	2,059	(2,980)	5,405
<b>Results</b>					
Revenue	49,920	-	6,917	-	2,675
Profit/(Loss) for the financial year	(275)	(350)	712	(2,469)	(194)
Total comprehensive income/(loss)	385	(265)	712	(2,369)	(194)
Cash flows from/(used in) operating activities	25,319	(161)	1,301	(1,092)	(2,745)
Cash flows from/(used in) investing activities	5,455	-	-	-	4,232
Cash flows (used in)/from financing activities	(34,606)	-	(90)	1,320	370
Net (decrease)/increase in cash and cash equivalents	(3,832)	(161)	1,211	228	1,857

- (g) During the financial year, the Company recognised an impairment loss on investments in subsidiaries of RM25,395,000 (2022: RM2,526,000) due to decline in operations of certain subsidiaries.

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 8.0% (2022: 10.0%)

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 7. INTANGIBLE ASSETS

Group	Goodwill (Note 8) RM'000	Customer relationship RM'000	Trademark and trade names RM'000	Total RM'000
<b>Carrying amount</b>				
At 1 April 2022/At 31 March 2023	400	-	-	400
Impairment loss for the financial year	(400)	-	-	(400)
At 31 March 2023	-	-	-	-
<b>At 31 March 2023</b>				
Cost	8,936	-	-	8,936
Accumulated amortisation	-	-	-	-
Accumulated impairment	(8,936)	-	-	(8,936)
Carrying amount	-	-	-	-
<b>Carrying amount</b>				
At 1 April 2021	4,404	2,126	1,582	8,112
Amortisation charge for the financial year	-	(199)	-	(199)
Disposal of subsidiary (Note 6)	(4,004)	(1,927)	(1,582)	(7,513)
At 31 March 2022	400	-	-	400
<b>At 31 March 2022</b>				
Cost	8,936	-	-	8,936
Accumulated amortisation	-	-	-	-
Accumulated impairment	(8,536)	-	-	(8,536)
Carrying amount	400	-	-	400

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.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 8. GOODWILL ON CONSOLIDATION

		Group	
	Note	2023 RM'000	2022 RM'000
At beginning of the financial year		400	4,404
Disposal of subsidiary		-	(4,004)
Impairment during the year		(400)	-
At end of the financial year	7	-	400

- (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 cash generating unit ("CGU") according to reportable segment as follows:

	Group	
	2023 RM'000	2022 RM'000
Energy services	-	400

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:

	2023 %	2022 %
Growth rates	5	5
Pre-tax discount rate	10	10

Impairment of goodwill amounted to RM400,000 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.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 9. DEFERRED TAXATION

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At beginning of the financial year		-	(457)	-	-
Disposal of subsidiary	6	-	457	-	-
At end of the financial year		-	-	-	-
Presented by:					
Deferred tax assets, net		-	-	-	-
Deferred tax liabilities, net		-	-	-	-
		-	-	-	-

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

#### Deferred tax assets of the Group

	Provision RM'000	Total RM'000
At 1 April 2021	247	247
Disposal of subsidiary	(247)	(247)
At 31 March 2022	-	-

#### 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 2021	(598)	(198)	92	(704)
Disposal of subsidiary	598	198	(92)	704
At 31 March 2022	-	-	-	-

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 9. 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses				
- Expires by 31 March 2029	14,935	14,935	3,081	3,081
- Expires by 31 March 2030	3,324	3,324	3,041	3,041
- Expires by 31 March 2031	13,296	13,296	945	945
- Expires by 31 March 2032	86	86	-	-
- Expires by 31 March 2033	10,187	-	280	-
Unabsorbed capital allowances	197	196	29	-
Other deductible temporary differences	(564)	(572)	(299)	(306)
	<b>41,461</b>	<b>31,265</b>	<b>7,077</b>	<b>6,761</b>

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.

#### 10. INVENTORIES

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
<b>At cost</b>					
Property held for sale		-	32,181	-	-
Completed properties		4,699	4,602	4,699	4,602
Work in progress		76	148	-	-
Properties development cost	(a)	33,899	34,897	-	-
<b>At net realisable value</b>					
Completed properties		-	244	-	-
Property held for sale		21,310	-	-	-
		<b>59,984</b>	<b>72,072</b>	<b>4,699</b>	<b>4,602</b>

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 10. INVENTORIES (CONT'D)

##### (a) Property development costs

Group	Balance as at 1.4.2022 RM'000	Cost incurred during the year RM'000	Recognised during the year RM'000	Balance as at 31.3.2023 RM'000
Land held for development	26,207	-	(4,212)	21,995
Development costs	8,690	3,807	(593)	11,904
	34,897	3,807	(4,805)	33,899

Group	Balance as at 1.4.2021 RM'000	Cost incurred during the year RM'000	Transfer RM'000	Recognised during the year RM'000	Balance as at 31.3.2022 RM'000
Land held for development	18,657	9,550	(2,000)	-	26,207
Development costs	2,955	5,905	2,000	(2,170)	8,690
	21,612	15,455	-	(2,170)	34,897

##### (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 RM13,481,000 (2022: RM241,000) 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 RM5,019,000 (2022: RM7,862,000) have been expensed as cost of sales to the statements of profit or loss and other comprehensive income during the financial year.
- (e) As at the end of the reporting period, certain completed properties of the Group and the Company with a carrying amount of RM4,699,000 (2022: RM4,602,000) have been charged as securities for banking facilities granted to the Group and the Company as disclosed in Note 22(a) to the financial statements.



# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 11. TRADE AND OTHER RECEIVABLES

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables - third parties	4,449	10,617	-	-
Other receivables and deposits				
Amounts due from subsidiaries	-	-	83,933	78,087
Other receivables	313	2,165	78	774
Deposits	1,400	1,254	78	63
Less: Impairment losses - subsidiaries	(i) -	-	(3,419)	-
	<b>1,713</b>	<b>3,419</b>	<b>80,670</b>	<b>78,924</b>
Total receivables, net of prepayments	<b>6,162</b>	14,036	<b>80,670</b>	78,924
Prepayments	<b>744</b>	4,593	<b>290</b>	272
Total trade and other receivables	<b>6,906</b>	18,629	<b>80,960</b>	79,196

- (a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 to 60 days (2022: 30 to 60 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) The amounts due from subsidiaries represent advances and payments on behalf, which bear interest at 2% - 11% (2022: 2% - 10%) per annum and payable within next twelve months in cash and cash equivalents.
- (d) The currency exposure profile of receivables (excluding prepayments) are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	1,837	2,364	80,670	67,129
US Dollar	4,272	11,387	-	-
British Pound	53	285	-	11,165
	<b>6,162</b>	<b>14,036</b>	<b>80,670</b>	<b>78,294</b>

- (e) 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. The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short-term nature.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 11. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) (Cont'd)

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Expected credit loss allowance for trade receivables are as follows:

Group	Gross carrying amount RM'000	Total allowance RM'000	Net balance RM'000
<b>2023</b>			
Current (not past due)	3,405	*	3,405
Past due			
- 1 to 30 days	31	*	31
- 31 to 60 days	-	-	-
- 61 to 90 days	1,013	*	1,013
- More than 90 days	-	*	-
	<b>4,449</b>	<b>*</b>	<b>4,449</b>
<b>2022</b>			
Current (not past due)	5,222	*	5,222
Past due			
- 1 to 30 days	3,878	*	3,878
- 31 to 60 days	-	-	-
- 61 to 90 days	159	*	159
- More than 90 days	1,358	*	1,358
	<b>10,617</b>	<b>*</b>	<b>10,617</b>

\* The amount is immaterial to disclose.

(f) As at the end of each reporting period, no collateral has been obtained by the Group. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivables of the Group.

(g) During the financial year, the Group did not renegotiate the terms of any trade receivables.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 11. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Group	Trade receivables		Total allowance RM'000
	Lifetime ECL allowance RM'000	Specific allowance RM'000	
At 1 April 2021	3	-	3
Reversal	(3)	-	(3)
At 31 March 2022	-	-	-

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.

- (i) Impairment for other receivables and amounts 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.

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. No expected credit loss is recognised arising from other receivables as it is negligible.

## Notes To The Financial Statements

### 31 March 2023

#### (Cont'd)

#### 11. TRADE AND OTHER RECEIVABLES (CONT'D)

##### (i) (Cont'd)

During the year, the Company recognised an impairment loss on amount owing from subsidiaries of RM3,419,000 (2022: RM nil).

The movements in allowance for impairment losses of amounts owing by subsidiaries during the year were as follows:

Company	Amounts owing by subsidiaries		
	Lifetime ECL allowance RM'000	Specific allowance RM'000	Total allowance RM'000
At 1 April 2022	-	-	-
Charge for the year	1,880	1,539	3,419
At 31 March 2023	<b>1,880</b>	<b>1,539</b>	<b>3,419</b>

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

- (j) Information on financial risks of trade and other receivables is disclosed in Note 36 to the financial statements.

#### 12. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
<b>Contract assets</b>		
Non-current	168	276
Current	1,140	1,046
	<b>1,308</b>	<b>1,322</b>
<b>Contract liabilities</b>		
Current	(1,192)	(962)

- (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.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 12. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)

- (b) There were no significant changes in the contract assets and liabilities during the financial year other than the following:

	Note	Group 2023 RM'000	2022 RM'000
Contract asset not transferred to trade receivables due to disposal of subsidiary	6	-	107

- (c) 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 2023 RM'000	2022 RM'000
31 March 2024	110	-
31 March 2023	-	1,189
	110	1,189

- (d) 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 11(e) to the financial statements.

No expected credit loss was recognised arising from the contract asset of the Group as it is negligible.

#### 13. DERIVATIVE ASSETS/(LIABILITY)

Group	Contract/ Notional amount RM'000	Assets RM'000	Contract/ Notional amount RM'000	Liability RM'000
<b>2023</b>				
Forward foreign currency contracts	4,983	98	-	-
<b>2022</b>				
Forward foreign currency contracts	-	-	-	-
<b>Company</b>				
<b>2023</b>				
Forward foreign currency contracts	2,375	41	-	-
<b>2022</b>				
Forward foreign currency contracts	-	-	-	-

## Notes To The Financial Statements

### 31 March 2023

(Cont'd)

#### 13. DERIVATIVE ASSETS/(LIABILITY) (CONT'D)

- (a) 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.
- (b) The Group and Company use 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 principal and interest of other borrowings of the Company denominated in Singapore Dollar and to hedge the Group's receivable from a customer denominated in US Dollar for which the commitments existed at the reporting date.

- (c) During the financial year, the Group and the Company recognised a net gain of RM98,000 (2022: loss of RM553,000) and RM41,000 (2022: loss of RM Nil) 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 35(b)(v) to the financial statements.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	3,714	6,615	2,100	2,100
Cash and bank balances	6,880	7,685	258	1,796
	10,594	14,300	2,358	3,896
Short term funds:				
- Investment in money market funds in Malaysia	2,200	5,987	2,200	5,987
	12,794	20,287	4,558	9,883

- (a) Cash and bank balances and short term funds are financial assets where cash and bank balances are measured at amortised cost, while short term funds are measured at fair value through profit or loss.
- (b) Investment in money market 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 21 and 22 to the financial statements. The fixed deposits of the Group and of the Company bear average interest of 2.87% (2022: 1.21%) and 2.62% (2022: 1.70%) per annum respectively. The fixed deposits of the Group and of the Company have maturity period between one (1) month to twelve (12) months (2022: one (1) month to twelve (12) months).
- (d) Included in the cash and bank balances of the Group is an amount of RM1,323,000 (2022: RM1,710,000) held under the Housing Development Accounts (Control and Licensing) Amendment Act, 2015 ("HDA"). Certain bank balances held under HDA are pledged to licensed bank as security for credit facilities granted to the Group as set out in Note 22 to the financial statements.
- (e) Information on financial risks of cash and bank balances and short term funds is disclosed in Note 36 to the financial statements.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	9,687	16,791	4,558	9,883
US Dollar	2,946	3,492	-	-
British Pound	161	4	-	-
	<b>12,794</b>	<b>20,287</b>	<b>4,558</b>	<b>9,883</b>

- (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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Cash and bank balances</b>				
Fixed deposits with licensed banks	3,714	6,615	2,100	2,100
Cash and bank balances	6,880	7,685	258	1,796
Short term funds	2,200	5,987	2,200	5,987
<b>As reported in statements of financial position</b>	<b>12,794</b>	<b>20,287</b>	<b>4,558</b>	<b>9,883</b>
Less:				
Fixed deposits pledged to licensed banks	(2,281)	(4,236)	(2,100)	(2,100)
<b>As reported in statements of cash flows</b>	<b>10,513</b>	<b>16,051</b>	<b>2,458</b>	<b>7,783</b>

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 15. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
<b>Issued and fully paid ordinary shares with no par value</b>				
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.

#### 16. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	Group			
	2023		2022	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
<b>Equity component of redeemable convertible preference share ("RCPS") with no par value</b>				
At beginning/end of the financial year	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	
	2023 RM'000	2022 RM'000
Liability component of RCPS with no par value		
Face value of RCPS at date of issuance	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	6,959	6,465
Unwinding of discount	532	494
At end of the financial year	7,491	6,959
Non-current liabilities	6,434	6,959
Current liabilities	1,057	-
	7,491	6,959



## Notes To The Financial Statements

### 31 March 2023

### (Cont'd)

#### 16. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

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.

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.

The 1<sup>st</sup> tranche of 104,450 unit of RCPS amounting to RM1,057,034 has matured on 2 March 2023. Based on the salient features of the RCPS-A, all outstanding RCPS-A shall be automatically converted upon maturity of the RCPS.

ELSB is in the midst of converting the RCPS into new ordinary shares. As at the date of authorisation of the financial statements, the conversion of RCPS has yet to be completed.

#### 17. 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 2023, the Group held 1,289,400 (2022: 1,289,400) of the Company's treasury shares at a total cost of RM1,199,000 (2022: RM1,199,000).

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 18. NON-DISTRIBUTABLE RESERVES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Exchange translation reserve	1,969	532	-	-
Share options reserve	18	-	18	-
	1,987	532	18	-

##### (a) Exchange translation reserve

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.

##### (b) Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. When options are exercised, the amount from the share options reserve is transferred to share capital. When the share options expire, the amount from the share options reserve is transferred to retained earnings.

#### 19. TRADE AND OTHER PAYABLES

	Group		Company	
Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
Other payables - third parties	22,830	22,833	-	-
<b>Current</b>				
Trade payables - third parties	5,649	8,836	-	-
Other payables				
Amounts due to subsidiaries	-	-	2,114	94
Other payables - third parties	2,190	2,896	18	253
Contingent consideration	-	-	-	-
for business acquisition (d)	-	-	-	-
Accruals	9,094	12,408	179	1,535
Deposits and advances received	46	9	37	12
Amount due to a related party	2,519	13,095	-	-
	13,849	28,408	2,348	1,894
Total current trade and other payables	19,498	37,244	2,348	1,894
Total trade and other payables	42,328	60,077	2,348	1,894

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 19. 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 (2022: 30 days to 60 days).
- (c) Non-current other payables amounting RM22,668,000 (2022: RM22,668,000) 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 former subsidiary, International Chemicals Engineering Pty. Ltd. ("ICE") in the financial year ended 31 March 2020. The contingent consideration of up to AUD1.80 million is payable proportion to ICE meeting the target of achieving EBITDA in excess of the EBITDA Guarantee for each for the next three (3) years from the date of acquisition. The term of payment of contingent consideration was subsequently extended to four (4) years from the date of acquisition in the previous financial year.

In the financial year ended 31 March 2021, the Group made the second payment of AUD600,000 (RM1,896,000 equivalent) upon ICE meeting its target for the second year.

In the previous financial year, the Group settled the remaining AUD790,000 (RM 2,456,000 equivalent) contingent consideration in full as part of the agreement with the Proposed Acquirer prior to the disposal of ENRA Kimia Group as disclosed in the Note 6(d) to the financial statements.

- (e) Amount due to a related party represents advances received from a non-controlling interest of a subsidiary amounting to RM2,519,000 (2022: RM13,095,000) which are unsecured, non-interest bearing and payable on demand in cash and cash equivalents.
- (f) Amounts due to subsidiaries represent advances and payments on behalf, which are unsecured and payable within next twelve months (12) in cash and cash equivalents. These amounts are interest-free except for advance amounting to RM1,500,000 (2022: RM nil), which is subject to interest at 10% (2022: nil) per annum.
- (g) The currency exposure profile of payables are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	30,984	38,059	2,348	1,894
US Dollar	5,495	8,517	-	-
British Pound	5,849	13,501	-	-
	<b>42,328</b>	<b>60,077</b>	<b>2,348</b>	<b>1,894</b>

- (h) Information on financial risks of trade and other payables is disclosed in Note 36 to the financial statements.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 20. BORROWINGS

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current liabilities</b>					
Other borrowings	22	721	-	-	-
<b>Current liabilities</b>					
Term loans	21	-	2,507	-	-
Other borrowings	22	13,251	1,370	13,251	-
		13,972	3,877	13,251	-

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) The currency exposure profile of borrowings are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	11,721	1,370	11,000	-
British Pound	-	2,507	-	-
Singapore Dollar	2,251	-	2,251	-
	13,972	3,877	13,251	-

#### 21. TERM LOANS

	Group	
	2023 RM'000	2022 RM'000
Term loan III	-	-
Term loan IV	-	-
Term loan V	-	2,507
	-	2,507

Repayable as follows:

##### Current liabilities:

- not later than one (1) year	-	2,507
-------------------------------	---	-------

(a) Term loan V was fully settled during the financial year.

(b) In the previous financial year, 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 32 to the financial statements;
- (ii) fresh negative pledge over the assets of a subsidiary;

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 21. TERM LOANS (CONT'D)

- (b) In the previous financial year, term loan III, IV and V are related to assets acquisition by subsidiaries and were secured by the following: (Cont'd)

- (iii) pledge of fixed deposits as disclosed in Note 14(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(d) to the financial statements.

In the previous financial year, the Group derecognised the outstanding balances of Term loan III and IV amounted to RM9,512,000 as part of the disposal of ENRA Kimia Group as disclosed in Note 6(d) to the financial statements.

- (c) Information on financial risks of term loans and the remaining maturities is disclosed in Note 36 to the financial statements.

#### 22. OTHER BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Non-current</b>				
Bridging loan	721	-	-	-
<b>Current</b>				
Revolving credits	5,000	-	5,000	-
Mezzanine loans:				
- Director	7,251	1,000	7,251	-
- Related parties	1,000	370	1,000	-
Total current other borrowings	13,251	1,370	13,251	-
Total other borrowings	13,972	1,370	13,251	-

- (a) The other borrowings of the Group and of the Company relate to trade and working capital credit facilities that are secured by:
- (i) Mezzanine loan is secured by corporate guarantees from a subsidiary of the Company as disclosed in Note 32 to the financial statements;
  - (ii) Bridging loan is secured by corporate guarantees from the Company to a subsidiary as disclosed in Note 32 to the financial statements and pledge of surplus monies in the Housing Development Account (HDA) as disclosed in Note 14(d) to the financial statements; and
  - (iii) Revolving credits are secured by pledge of fixed deposits as disclosed in Note 14(c) to the financial statements and pledge of inventory as disclosed in Note 10(e) to the financial statements.
- (b) Information on financial risks of other borrowings and their remaining maturities is disclosed in Note 36 to the financial statements.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 23. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Revenue from contracts with customers</i>				
Sale of goods	-	6,917	-	-
Sale of completed properties	160	-	-	-
Property development revenue	5,452	2,675	-	-
Services rendered	10,926	19,047	-	-
	<b>16,538</b>	28,639	-	-
<i>Other revenue</i>				
Dividend income	-	-	-	24,391
<i>Revenue from leases</i>				
Leasing	13,941	34,068	-	-
Revenue from continued operations	<b>30,479</b>	62,707	-	24,391
Revenue from discontinued operations	-	25,609	-	-
	<b>30,479</b>	88,316	-	24,391
<b>Timing of revenue recognition</b>				
Transferred over time	11,878	21,722	-	-
Transferred at a point in time	4,660	6,917	-	-
	<b>16,538</b>	28,639	-	-

(a) Revenue from contracts with customer is disaggregated in Note 34 to the financial statements by geographical area.

(b) 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 coincide 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.

(c) 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.

## Notes To The Financial Statements

### 31 March 2023

### (Cont'd)

#### 23. REVENUE (CONT'D)

(d) Revenue from property development and construction contracts

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

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

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

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the 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.

(e) 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.

(f) 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.

(g) Dividend income

Dividend income is recognised when the right to receive payment is established.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 24. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense:				
- term loans	7	816	-	-
- other borrowings	790	487	774	302
- intercompany advance	-	-	84	-
Unwinding of discount (RCPS)	532	494	-	-
Others - facility fees	150	41	70	-
	<b>1,479</b>	<b>1,838</b>	<b>928</b>	<b>302</b>

#### 25. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>After charging:</b>				
Auditors' remuneration:				
- Statutory audit	253	208	58	53
- Non-statutory audit	15	97	6	96
Loss on disposal of property, plant and equipment	-	69	-	69
Realised loss on foreign exchange	1,053	-	-	2
Fair value loss on short term funds	4	-	4	-
<b>And crediting:</b>				
Fair value gain on short term funds	-	14	-	14
Unrealised gain on foreign exchange	805	633	-	-
Interest income received from:				
- fixed deposits with licensed banks	16	147	2	71
- short term funds	99	88	42	26
- subsidiaries	-	-	4,971	3,515
Realised gain on foreign exchange	-	85	-	19
Management fees from subsidiaries	-	-	682	644



# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 26. TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense based on (loss)/profit for the financial year				
- Current year	100	643	-	-
- (Over)/Under provision in prior years	(39)	10	2	12
<b>Total tax expense</b>	<b>61</b>	<b>653</b>	<b>2</b>	<b>12</b>

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before tax	(39,476)	6,249	(31,310)	10,808
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	(9,474)	1,500	(7,514)	2,594
Non-allowable expenses	7,637	12,025	7,485	2,714
Non-taxable income	(358)	(13,421)	(47)	(5,862)
Deferred tax assets not recognised	2,447	567	76	554
Effect of different tax rate in foreign jurisdiction	(152)	(28)	-	-
(Over)/Under provision in prior years:	100	643	-	-
- income tax	(39)	10	2	12
<b>Total</b>	<b>61</b>	<b>653</b>	<b>2</b>	<b>12</b>

- (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			
<b>2023</b>			
Foreign currency translations	2,487	-	2,487
<b>2022</b>			
Foreign currency translations	50	-	50

## Notes To The Financial Statements

### 31 March 2023

### (Cont'd)

#### 27. 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 ("Deed Poll").

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 ("Exercise Period");
- (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 current and previous financial year end.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 28. (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.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
(Loss)/Profit attributable to equity holders of the Company (RM'000)	<b>(25,476)</b>	7,319
Weighted average number of ordinary shares in issue after deducting the treasury shares ('000)	<b>34,919</b>	134,919
Basic (loss)/earnings per ordinary share (sen) for: (Loss)/Profit for the financial year	<b>(18.88)</b>	5.42
Diluted (loss)/earnings per ordinary share (sen) for: (Loss)/Profit for the financial year	<b>(18.88)</b>	5.42

- (b) The diluted earnings per share for the current financial year is anti-dilutive. The warrants exercise price is more than the average share price for the current and previous financial year. The ESOS exercise price is more than the average share price for the financial year (2022: None). Accordingly, the diluted earnings per share for the current and previous financial year is presented as equal to basic earnings per shares.

#### 29. DIVIDENDS

	<b>Group and Company</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Dividend per share sen</b>	<b>Amount of dividend RM'000</b>	<b>Dividend per share sen</b>	<b>Amount of dividend RM'000</b>
In respect of financial year ended 31 March 2022				
- Interim cash dividend paid	-	-	7.40	9,984

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2023.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 30. EMPLOYEE BENEFITS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, bonus and allowances	5,845	21,898	4,143	12,014
Defined contribution plan	899	1,657	661	568
Other employee benefits	849	576	231	383
Share options granted under ESOS:				
- Directors	11	-	11	-
- Key Management Personnel	5	-	5	-
- Other employees	2	-	2	-
	<b>7,611</b>	<b>24,131</b>	<b>5,053</b>	<b>12,965</b>

Included in the employee benefits of the Group and the Company is Directors' remuneration amounting to RM2,435,000 (2022: RM9,715,000).

#### 31. EMPLOYEES' SHARES SCHEME ("ESS")

In the Extraordinary General Meeting on 9 February 2018, the Shareholders have approved the ESS comprising Employees' Option Scheme ("ESOS") and Employees' Share Grant ("ESG") that came into effect on 12 February 2018 for a period of 5 years up to 12 February 2023. Subsequently, the Company has extended the duration of the ESS for another 5 years to 12 February 2028.

On 1 June 2022, the Company made an offer of 6,100,000 ESOS Option under the ESS ("1st Award") to the eligible Directors and employees of the Company and its subsidiaries. The ESOS Option was offered in 2 tranches with the 1st tranche of 40% comprising 2,440,000 ESOS Option with no vesting period and the 2nd tranche of 60% comprising 3,660,000 ESOS Option with a vesting period of 1 year till 31 May 2023. The total number of outstanding ESOS Option granted under the ESOS as at year end is 6,100,000.

The main features of the ESOS are as follows:

- The ESOS is made available to eligible employees and Directors (including non-executive Directors) (collectively as "Eligible Person") who are confirmed employees of the Company and its non-dormant subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- The total number of shares offered under the ESOS shall not, in aggregate, exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares, if any) at any time during the existence of the ESOS;
- The option price under the ESOS shall be the five-day weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate;
- The maximum number of shares, which may be offered to an Eligible Person shall be at the sole discretion of the ESS Committee after taking into consideration, amongst others, the performance, targets, position, annual appraised performance, seniority and length of service of eligible employee's position, performance and length of service of the Eligible Person, or such other matters that the ESS Committee may in its sole discretion deem fit, subject to the following:
  - not more than 10% of the shares available under the ESOS shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued ordinary shares of the Company (excluding treasury shares, if any).

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 31. EMPLOYEES' SHARES SCHEME ("ESS") (CONT'D)

The main features of the ESOS are as follows: (Cont'd)

- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESS Committee; and
- (f) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

The number of options over ordinary shares under the option scheme was as follows:

Category of participants	----- Number of options over ordinary shares -----					
	Balance as at 1.4.2022	Granted	Forfeited*	Exercised	Balance as at 31.3.2023	Exercisable as at 31.3.2023
Directors	-	3,500,000	-	-	3,500,000	1,400,000
Key Management Personnel	-	2,100,000	(300,000)	-	1,800,000	720,000
Employee	-	500,000	-	-	500,000	200,000
	-	6,100,000	(300,000)	-	5,800,000	2,320,000

\* Due to resignation

The fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share option measured at grant date and the assumptions used are as follows:

	2023
Average share price at grant date (RM)	0.76
Exercise price (RM)	1.10
Fair value of share options (RM)	0.0037
Risk free rate of interest (%)	3.75
Expected life of options (years)	4
Expected dividend yield (%)	-
Expected volatility (%)	13.03

## Notes To The Financial Statements

### 31 March 2023

(Cont'd)

### 32. CONTINGENT LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Secured</b>				
Bank guarantee given to customers in respect of contracts in subsidiaries	-	2,522	-	-
	-	2,522	-	-
<b>Unsecured</b>				
Corporate guarantees given by the subsidiary of the Company for loan facility granted to the Company	2,000	-	-	-
Corporate guarantees given by the Company for credit facilities granted to the subsidiaries	-	-	721	3,877
	2,000	-	721	3,877

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.

### 33. 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 6 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 cum shareholder of the Company.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

### 33. RELATED PARTY DISCLOSURES (CONT'D)

#### (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:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Related parties:</i>				
Interest expenses	378	80	369	-
Disposal of subsidiary	-	25,500	-	-
<i>Subsidiaries:</i>				
Interest income	-	-	4,971	3,515
Dividend income	-	-	-	24,391
Lease income	-	-	-	15
Management fees received/ receivable	-	-	682	644
<i>Director:</i>				
Interest expenses	70	105	70	-

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 11 and 19 to the financial statements.

#### (c) Key management personnel

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

	Group and Company	
	2023	2022
	RM'000	RM'000
Fees	372	372
Salaries	1,337	1,426
Other emoluments	715	7,917
Share options granted under ESOS	11	-
	2,435	9,715

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, bonus and allowance	1,774	1,852	913	794
Defined contribution plan	230	227	118	95
Share options granted under ESOS	5	-	5	-
	2,009	2,079	1,036	889

## Notes To The Financial Statements

### 31 March 2023

### (Cont'd)

#### 34. OPERATING SEGMENTS

Operating segments are defined as components of the Group that:

- (a) 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);
- (b) 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
- (c) 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:

- (a) 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.
- (b) The absolute amount of its reported profit or loss is ten per cent (10%) or more of the greater, in absolute amount of:
  - (i) The combined reported profit of all operating segments that did not report a loss; and
  - (ii) The combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten per cent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75%) percent of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in consolidated financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude current tax assets, deferred tax assets and assets used primarily for corporate purposes.

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. The reportable segments of the Group 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

## 31 March 2023

### (Cont'd)

#### 34. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Total RM'000
<b>2023</b>				
<b>Revenue</b>				
Total revenue	5,612	24,867	-	30,479
Inter-segment revenue	-	-	-	-
<b>Revenue from external customers</b>	<b>5,612</b>	<b>24,867</b>	<b>-</b>	<b>30,479</b>
<b>Segment loss before tax</b>	<b>(15,441)</b>	<b>(16,297)</b>	<b>(7,738)</b>	<b>(39,476)</b>
Interest income	19	52	44	115
Finance costs	(548)	(87)	(844)	(1,479)
Lease interest	(120)	(1)	(3)	(124)
Net finance expense	(649)	(36)	(803)	(1,488)
Depreciation of property, plant and equipment	(17)	(5,619)	(32)	(5,668)
Amortisation of right-of-use assets	(163)	(151)	(89)	(403)
Impairment loss on goodwill	-	-	(400)	(400)
Total depreciation, amortisation and impairment loss	(180)	(5,770)	(521)	(6,471)
Inventories written down	(13,481)	-	-	(13,481)
<b>Segment assets</b>	<b>68,707</b>	<b>74,183</b>	<b>10,019</b>	<b>152,909</b>
<b>Segment liabilities</b>	<b>40,283</b>	<b>12,711</b>	<b>13,625</b>	<b>66,619</b>
<b>Other information:</b>				
Additions to non-current assets other than financial instruments	3	-	3	6
Remeasurement of non-current assets other than financial instruments	-	-	163	163

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 34. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Investment Energy services RM'000	holdings and others RM'000	Total RM'000
<b>2022</b>				
<b>Revenue</b>				
Total revenue	2,675	85,641	-	88,316
Discontinued operations	-	(25,609)	-	(25,609)
<b>Revenue from external customers</b>	<b>2,675</b>	<b>60,032</b>	<b>-</b>	<b>62,707</b>
<b>Segment (loss)/profit before tax</b>	<b>(1,533)</b>	<b>23,013</b>	<b>(15,231)</b>	<b>6,249</b>
Interest income	5	133	97	235
Finance costs	(679)	(857)	(302)	(1,838)
Lease interest	(119)	(18)	(6)	(143)
Net finance expense	(793)	(742)	(211)	(1,746)
Depreciation of property, plant and equipment	(17)	(6,831)	(34)	(6,882)
Amortisation of right-of-use assets	(163)	(235)	(121)	(519)
Impairment loss on property, plant and equipment	-	(9,006)	-	(9,006)
Total depreciation, amortisation and impairment loss	(180)	(16,072)	(155)	(16,407)
Other material non-cash items:				
Reversal of impairment loss on trade and other receivables	-	3	3	3
Gain on disposal of subsidiary	-	19,588	-	19,588
<b>Segment assets</b>	<b>81,954</b>	<b>89,474</b>	<b>15,773</b>	<b>187,201</b>
<b>Segment liabilities</b>	<b>49,167</b>	<b>22,416</b>	<b>1,912</b>	<b>73,495</b>
<b>Other information:</b>				
Goodwill on consolidation	-	400	-	400
Additions to non-current assets other than financial instruments	26	23	211	260

## Notes To The Financial Statements

### 31 March 2023

### (Cont'd)

#### 34. 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:

	2023 RM'000	2022 RM'000
<b>Assets</b>		
Total assets for reportable segments	152,909	187,201
Current tax assets	212	124
Assets of the Group	153,121	187,325
<b>Liabilities</b>		
Total liabilities for reportable segments	66,619	73,495
Current tax liabilities	276	436
Liabilities of the Group	66,895	73,931

#### 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. In determining geographical segment of the Group, revenue is based on the geographical location of customers. Non-current assets are based on the geographical location of the assets.

	Revenue		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	6,678	12,787	9,221	9,875
Myanmar	23,641	49,920	62,766	65,292
United Kingdom	160	-	-	-
	30,479	62,707	71,987	75,167

#### Major customers

Other than a single customer who contributed about 78% (2022: 80%) 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

### 31 March 2023

#### (Cont'd)

### 35. 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 2022.

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 2022 and 31 March 2023.

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 0.16 times (2022: 0.03 times) and 0.13 times (2022: nil) 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 RM40.00 million. The Group has complied with this requirement for the financial year ended 31 March 2023.

#### (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 by future contractual cash flows at current market rate for similar financial instruments and of the same remaining maturities at the end of the reporting period.

- (iii) 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.

Notes To The Financial Statements  
31 March 2023  
(Cont'd)**35. FINANCIAL INSTRUMENTS (CONT'D)****(b) Determination of fair value (Cont'd)****(iv) Short term funds**

The fair values of short term funds are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period.

**(v) Forward foreign currency 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 (excluding short term funds), 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 2023

### (Cont'd)

#### 35. FINANCIAL INSTRUMENTS (CONT'D)

##### (c) Fair value hierarchy (Cont'd)

The table below analyses other financial instruments at fair value:

2023	Group	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		
	Financial assets										
	Derivative assets	-	98	-	98	-	-	-	-	98	98
	Short term funds	2,200	-	-	2,200	-	-	-	-	2,200	2,200
	Financial liabilities										
	Land entitlement payment	-	-	22,668	22,668	-	-	-	-	22,668	22,668
	Other borrowings	13,972	-	-	13,972	-	-	-	-	13,972	13,972
	RCPS	-	-	-	-	-	-	7,491	7,491	7,491	7,491
Company											
	Financial assets										
	Derivative assets	-	41	-	41	-	-	-	-	41	41
	Short term funds	2,200	-	-	2,200	-	-	-	-	2,200	2,200
	Financial liability										
	Other borrowings	13,251	-	-	13,251	-	-	-	-	13,251	13,251

Notes To The Financial Statements  
31 March 2023  
(Cont'd)

## 35. FINANCIAL INSTRUMENTS (CONT'D)

## (c) Fair value hierarchy (Cont'd)

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

2022	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		
<b>Group</b>										
<b>Financial asset</b>										
Short term funds	5,987	-	-	5,987	-	-	-	-	5,987	5,987
<b>Financial liabilities</b>										
Land entitlement payment	-	-	22,668	22,668	-	-	-	-	22,668	22,668
Term loans	2,507	-	-	2,507	-	-	-	-	2,507	2,507
Other borrowings	1,370	-	-	1,370	-	-	-	-	1,370	1,370
RCPS	-	-	-	-	-	-	6,959	6,959	6,959	6,959
<b>Company</b>										
<b>Financial asset</b>										
Short term funds	5,987	-	-	5,987	-	-	-	-	5,987	5,987

## Notes To The Financial Statements

### 31 March 2023

#### (Cont'd)

### 35. 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
<u>Financial liabilities</u>			
RCPS	Discounted cash flows method	Discount rate 5.00%	The higher the discount rate, the lower the fair value of the liabilities would be.

### 36. 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.

At the end of the reporting period, the Group does not have any significant exposure to any individual customer or counterparty other than 98% (2022: 98%) of the Group's trade receivables as at reporting date were due from three (3) (2022: two (2)) 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 RM80,514,000 (2022: RM78,087,000), which represent 99% (2022: 99%) of trade and other receivables of the Company, there is no significant concentration of credit risk of the Company.



# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

##### (i) Credit risk (Cont'd)

###### 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 11 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
	(Loss)/	Profit/	(Loss)/	Profit/
	Profit	(Loss)	Profit	(Loss)
	after tax	after tax	after tax	after tax
Increased by 0.1% (2022: 0.1%)	(3)	4	(2)	5
Decreased by 0.1% (2022: 0.1%)	3	(4)	2	(5)

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 36. 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
<b>At 31 March 2023</b>									
<b>Fixed rates</b>									
Fixed deposits with licensed banks	14	2.87	3,714	-	-	-	-	-	3,714
Other borrowings	22	12.73	(8,251)	-	-	-	-	-	(8,251)
RCPS liability	16	7.64	(1,057)	(6,434)	-	-	-	-	(7,491)
<b>Floating rates</b>									
Short term funds	14	2.75	2,200	-	-	-	-	-	2,200
Other borrowings	22	7.57	(5,000)	(721)	-	-	-	-	(5,721)
<b>At 31 March 2022</b>									
<b>Fixed rates</b>									
Fixed deposits with licensed banks	14	1.21	6,615	-	-	-	-	-	6,615
Term loans	21	4.80	(2,507)	-	-	-	-	-	(2,507)
RCPS liability	16	7.64	-	(974)	(5,985)	-	-	-	(6,959)
<b>Floating rates</b>									
Term loans	21	10.00	(1,370)	-	-	-	-	-	1,370
Short term funds	14	1.48	5,987	-	-	-	-	-	5,987

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 36. 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
<b>At 31 March 2023</b>									
<b>Fixed rates</b>									
Fixed deposits with licensed banks	14	2.62	2,100	-	-	-	-	-	2,100
Amounts due from subsidiaries	11	8.61	80,514	-	-	-	-	-	80,514
Amount due to a subsidiary	19	10.00	(1,500)	-	-	-	-	-	(1,500)
Other borrowings	22	12.73	(8,251)	-	-	-	-	-	(8,251)
<b>Floating rates</b>									
Short term funds	14	2.75	2,200	-	-	-	-	-	2,200
Other borrowings	22	7.28	(5,000)	-	-	-	-	-	(5,000)
<b>At 31 March 2022</b>									
<b>Fixed rates</b>									
Fixed deposits with licensed banks	14	1.70	2,100	-	-	-	-	-	2,100
Amounts due from subsidiaries	11	10.00	78,087	-	-	-	-	-	78,087
<b>Floating rates</b>									
Short term funds	14	1.48	5,987	-	-	-	-	-	5,987

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 36. 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.

2023	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	19,498	22,830	-	42,328
RCPS liability	1,057	7,039	-	8,096
Lease liabilities	219	559	5,941	6,719
Borrowings	14,665	792	-	15,457
Total undiscounted financial liabilities	35,439	31,220	5,941	72,600
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	2,558	-	-	2,558
Lease liabilities	98	73	-	171
Borrowings	14,665	-	-	14,665
Total undiscounted financial liabilities	17,321	73	-	17,394

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 36. 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).

2022	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities</b>				
Trade and other payables	37,244	22,833	-	60,077
RCPS liability	-	8,096	-	8,096
Lease liabilities	248	364	6,070	6,682
Borrowings	4,134	-	-	4,134
<b>Total undiscounted financial liabilities</b>	<b>41,626</b>	<b>31,293</b>	<b>6,070</b>	<b>78,989</b>
<b>Company</b>				
<b>Financial liabilities</b>				
Trade and other payables	1,894	-	-	1,894
Lease liabilities	64	-	-	64
<b>Total undiscounted financial liabilities</b>	<b>1,958</b>	<b>-</b>	<b>-</b>	<b>1,958</b>

##### (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 14(f) to the financial statements.

The Group is also exposed to foreign currency risk in respect of the foreign subsidiaries.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

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

##### (iv) Foreign currency risk (Cont'd)

##### 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") 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>(Loss)/Profit after tax</b>				
USD/RM - strengthen by 3% (2022: 3%)	<b>(39)</b>	(145)	-	-
- weaken by 3% (2022: 3%)	<b>39</b>	145	-	-
GBP/RM - strengthen by 3% (2022: 3%)	<b>128</b>	358	-	(254)
- weaken by 3% (2022: 3%)	<b>(128)</b>	(358)	-	254
SGD/RM - strengthen by 3% (2022: 3%)	<b>(51)</b>	-	<b>(51)</b>	-
- weaken by 3% (2022: 3%)	<b>51</b>	-	<b>51</b>	-

#### 37. LEGAL CLAIMS DURING THE YEAR

##### (a) Disputes between a contractor and ESPM Group

##### Arbitration on claim against ESPML

On 22 July 2020, ESPML, a 60% owned indirect subsidiary of the Company received from PT Cakra Manunggal Semesta ("PT CMS"), a Notice for Arbitration to commence arbitration proceedings at the Asian International Arbitration Centre, Kuala Lumpur.

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" and a Settlement Agreement dated 9 December 2019 between ESPML, PT CMS, ENRA SPM Sdn. Bhd. and Sea Trust Marine Pte Ltd, a related company to PT CMS ("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.

On 6 May 2021, PT CMS served its first memorial and related documents including Witness Statement and expert report on ESPML and claimed approximately USD5.57 million.

On 11 August 2021, ESPML served its first memorial together with the related documentary evidence including Witness Statement and expert report on PT CMS to defend itself and to counter claim for loss and damages (including fines and penalties) in the excess of USD10.00 million.

Notes To The Financial Statements  
31 March 2023  
(Cont'd)**37. LEGAL CLAIMS DURING THE YEAR (CONT'D)****(a) Disputes between a contractor and ESPM Group (Cont'd)****Arbitration on claim against ESPML (Cont'd)**

A settlement agreement dated 10 August 2022, was entered into between PT CMS, ESPML, ESPM, Sea Trust Marine Pte. Ltd., PT Adidaya Energi Mandiri ("AEM") and SPM Terminals. Under the terms of settlement, ESPML has agreed to pay the sum of USD3.2 million to PT CMS and USD0.15 million to AEM in full and final settlement of any and all the various disputes between the parties with such settlement being without any admission of liability to any of the respective claims as against each other ("ESPML Settlement Agreement dated 10 August 2022").

Upon payment for the settlement sum made on 2 September 2022, PT CMS and ESPML have withdrawn all claims and counterclaims in the arbitration, and Ratu ENRA was subsequently released on 5 September 2022. With the settlement, the case has been officially closed.

The settlement has decreased the Group's profit or loss by RM9.85 million during the current financial year.

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

On 11 January 2021, ESPML received from Controval USA LLC ("Controval") a Notice of Arbitration to commence arbitration proceeding following the rules of the Singapore International Arbitration Centre.

The alleged dispute arises out of a Purchase Order purportedly entered into between Controval and both Respondents relating to the engineering, procurement and fabrication of a Leased Automated Custody Transfer with 8" Coriolis Flow Meters unit installed on a condensate storing, offloading facilities belonging to ESPML known as "Ratu ENRA".

The Claimant is claiming a sum of USD381,211 allegedly for unpaid invoices under the Contract, interest on the amount awarded from 7 July 2020 until settlement of the award, all arbitration costs including the Claimant's representative's costs and expenses and such other amounts deemed appropriate by the Arbitral Tribunal.

ESPML served its Defence and Counterclaim on the 9th of July 2021.

The parties reached a settlement agreement and the arbitration has been resolved by mutual acceptance on 10 August 2022. The tribunal awarded and directed that in full and final settlement of the claim by the Claimant against the Respondents, the Respondents shall jointly and severally pay the sum of USD90,000 to the Claimant within 14 days of the award. This payment of the sum of USD90,000 that was made on 24 August 2022 constitutes settlement of all claims and counterclaims between the Claimant and the Respondents. With this settlement payment, the case has been officially closed.

The settlement has no impact to the Group's profit or loss as the amount was accrued in the previous financial year.

# Notes To The Financial Statements

## 31 March 2023

### (Cont'd)

#### 38. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

##### 38.1 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>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 16 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

##### 38.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
<i>Amendments to MFRS 101 Disclosures of Accounting Policies</i>	1 January 2023
<i>Amendments to MFRS 108 Definition of Accounting Estimates</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
<i>Amendments to MFRS 101 Non-current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to MFRS 16 Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements</i>	1 January 2024
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
<i>Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules</i>	See paragraph 98M of MFRS 112

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.



## 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 2023 (RM'000)	Asset Category
1	Condominium units:	873	Residential unit for sale	Leasehold	7 years	4,699	Inventories
2	C-35-03A	873	Residential unit for sale	Leasehold			
3	C-23A-08	1,054	Residential unit for sale	Leasehold			
4	R-09-03A	1,054	Residential unit for sale	Leasehold			
5	C-10-03A	1,272	Residential unit for sale	Leasehold			
6	R-08-01	1,054	Residential unit for sale	Leasehold			
7	R-13A-03A	1,272	Residential unit for sale	Leasehold			
	R-08-12 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	134 years	17,262	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	174 years		
10	St Andrew's Church House, Church Walk, Church Street, Rugby, the United Kingdom, held under title WK462131, held under title WK462131 (owned by Abode Caldecott Square Development Limited)	N/A	Vintage building for redevelopment	Freehold	84 years	4,049	
11	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	8,730	Right-of-use Asset
12	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 hectare/ 2.094 acres)	Developed for affordable homes project (under construction)	Freehold	N/A	6,301	Inventories
13	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 hectare/ 3.794 acres)	Developed for affordable homes project (under construction - earthwork)	Leasehold until 15 Dec 2079	N/A	7,903	Inventories
14	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 hectare/ 6.563 acres)	Developed for affordable homes project (under construction - earthwork)	Leasehold until 3 Jan 2062	N/A	7,968	Inventories

## Properties Owned By The Group (Cont'd)

	Location/ Address	Built-Up Area (Sq. Ft.)	Existing Use/ Description of Property	Tenure	Approximate Age of Building	Carrying Amount As At 31 March 2023 (RM'000)	Asset Category
15	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 hectare/ 3.719 acres)	Land held for property development	Leasehold until 18 Jan 2072	N/A	5,539	Inventories
16	Malay reserved land under title 712, Lot 51, Mukim Morib, Kuala Langat, Selangor Darul Ehsan (developed by Prominent Archway Sdn Bhd, under a Joint Venture Agreement with the land owners.)	76,230 square feet (0.8852 hectare/ 1.75 acres)	Land held for property development	Freehold	N/A	1,663	Inventories
17	Malay reserved land under title 1139, Lot 52, Mukim Pekan Tongkah, Kuala Langat, Selangor Darul Ehsan (developed by Merpati TPG Sdn Bhd, under a Joint Venture Agreement with the land owners.)	145,578 square feet (1.176 hectare/ 3.342 acres)	Land held for property development	Freehold	N/A	4,776	Inventories
18	Malay reserved land under title 4942, Lot 1531, Jalan Makmur, Mukim Ijuk, Kuala Selangor, Selangor Darul Ehsan (developed by BRP HOMES Sdn Bhd, under a Joint Venture Agreement with the land owners.)	145,578 square feet (2.5698 hectare/ 6.35 acres)	Land held for property development	Leasehold until 29 September 2113	N/A	5,055	Inventories

## ANALYSIS OF SHAREHOLDINGS

as at 15 June 2023

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

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%*	No. of Shares Held	%*
Less than 100	289	14.73	7,051	0.01
100 to 1,000	1,104	56.27	730,940	0.54
1,001 to 10,000	427	21.76	1,535,551	1.14
10,001 to 100,000	85	4.33	2,953,116	2.19
100,001 to less than 5% of issued shares	53	2.70	78,360,285	58.08
5% and above of issued shares	4	0.20	51,331,600	38.05
<b>Total</b>	<b>1,962</b>	<b>100.00</b>	<b>134,918,543</b>	<b>100.00</b>

\* Excluding a total of 1,289,400 treasury shares retained by the Company.

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.	M&A Nominee (Tempatan) Sdn Bhd <i>Pledged securities account for Mizreen Capital Sdn Bhd (M&amp;A)</i>	13,400,200	9.93
3.	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Exempt AN for Maybank Securities Pte Ltd (A/C 649063)</i>	10,969,400	8.13
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	6,229,400	4.62
6.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Paling Terbilang Sdn Bhd (PB)</i>	6,000,000	4.45
7.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Kamaluddin bin Abdullah (PB)</i>	5,350,000	3.97
8.	Action Venture Sdn Bhd	5,000,000	3.71
9.	Ambank (M) Berhad <i>Pledged securities account for Ali bin Abdul Kadir (SMART)</i>	4,900,000	3.63
10.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Rica Holdings (M) Sdn Bhd</i>	4,522,600	3.35
11.	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN for Bank of Singapore Limited (Foreign)</i>	4,096,185	3.04
12.	Cornerstone Portfolio Sdn Bhd	4,000,000	2.96

## Analysis Of Shareholdings as at 15 June 2023 (Cont'd)

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

No.	Name of Shareholders	No. of Shares	%
13.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Kok Kong Chin (PB)</i>	3,000,000	2.22
14.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Loh Chen Yook</i>	3,000,000	2.22
15.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Loh Chen Yook (021)</i>	2,566,300	1.90
16.	Maybank Securities Nominees (Asing) Sdn Bhd <i>Exempt AN for Maybank Securities Pte Ltd (A/C 648849)</i>	2,515,600	1.86
17.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Yau Kok Seng (001)</i>	2,212,000	1.64
18.	Leong Man Loong	2,094,700	1.55
19.	Sharifah Salwa binti Syed Kamaruddin	2,000,000	1.48
20.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged securities Account for Azmil Khalili bin Khalid</i>	1,684,400	1.25
21.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Intelek Kuasa Sdn Bhd (PB)</i>	1,400,000	1.04
22.	Chong Mee Sin	1,317,600	0.98
23.	Hoo Yuen Kim	1,312,100	0.97
24.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Chow Zee Neng</i>	1,200,000	0.89
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kian Aik (8058967)</i>	1,168,000	0.87
26.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Wee Yiau Hin @ Ong Yiau Hin (PB)</i>	1,000,000	0.74
27.	Trillion Icon Sdn Bhd	1,000,000	0.74
28.	Bee Koon Yaw	895,600	0.66
29.	Maybank Securities Nominees (Asing) Sdn Bhd <i>Maybank Securities Pte Ltd for Cheah Teik Seng</i>	769,400	0.57
30.	Anuar bin Ahmad	725,900	0.54
<b>Total</b>		<b>121,291,385</b>	<b>89.89</b>

## Analysis Of Shareholdings as at 15 June 2023 (Cont'd)

### SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares Held			
		Direct Interest	%*	Indirect Interest	%*
1.	Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	3.97	35,362,000 <i>a</i>	26.21
2.	Trillion Icon Sdn Bhd	17,962,000	13.31	-	-
3.	Mizreen Capital Sdn Bhd	13,400,200	9.93	-	-
4.	Ikhmal Mirza bin Mazlin	-	-	13,400,200 <i>b</i>	9.93
5.	Chua Ming Huat	10,969,400	8.13	2,515,600 <i>c</i>	1.86
6.	Carrillo Capital Sdn Bhd	10,000,000	7.41	-	-

### DIRECTORS' SHAREHOLDINGS BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares Held			
		Direct Interest	%*	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.	Kok Kong Chin	3,000,000	2.22	-	-
4.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	-	-	2,000,000 <i>d</i>	1.48
5.	Dato' Wee Yiau Hin	1,000,000	0.74	-	-
6.	Loh Chen Yook	5,566,300	4.13	-	-
7.	Tunku Afwida binti Tunku Abdul Malek	-	-	-	-

**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 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.

\* Excluding 1,289,400 treasury shares retained by the Company.

# ANALYSIS OF WARRANTHOLDINGS

as at 15 June 2023

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	333	17.29	5,827	0.01
100 to 1,000	1,319	68.48	408,107	0.91
1,001 to 10,000	178	9.24	674,463	1.50
10,001 to 100,000	60	3.12	2,295,223	5.10
100,001 to less than 5% of warrants in issue	31	1.61	18,841,090	41.90
5% and above warrants in issue	5	0.26	22,747,263	50.58
<b>Total</b>	<b>1,926</b>	<b>100.00</b>	<b>44,971,973</b>	<b>100.00</b>

## 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.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Loh Chen Yook (021)</i>	5,499,565	12.23
3.	M&A Nominee (Tempatan) Sdn Bhd <i>Pledged securities account for Mizreen Capital Sdn Bhd (M&amp;A)</i>	4,787,232	10.64
4.	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Exempt AN for Maybank Securities Pte Ltd (A/C 649063)</i>	3,473,133	7.72
5.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Carrillo Capital Sdn Bhd (PB)</i>	3,333,333	7.41
6.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Paling Terbilang Sdn Bhd (PB)</i>	2,000,000	4.45
7.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Kamaluddin bin Abdullah (PB)</i>	1,783,333	3.97
8.	Ambank (M) Berhad <i>Pledged securities account for Ali bin Abdul Kadir (SMART)</i>	1,523,333	3.39
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Loh Chen Yook (8089132)</i>	1,500,000	3.34
10.	Chong Mee Sin	1,430,200	3.18
11.	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN for Bank of Singapore Limited (Foreign)</i>	1,365,395	3.04
12.	Pu Siang Yen	1,095,900	2.44

# Analysis Of Warrantholdings as at 15 June 2023 (Cont'd)

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

No.	Name of Warrantholders	No. of Warrants	%
13.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Kok Kong Chin (PB)</i>	1,000,000	2.22
14.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Rica Holdings (M) Sdn Bhd</i>	857,533	1.91
15.	Sharifah Salwa binti Syed Kamaruddin	666,666	1.48
16.	Maybank Nominees (Tempatan) Sdn Bhd <i>Chong Kow</i>	550,000	1.22
17.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Francis Chai Kim Lung</i>	494,000	1.10
18.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Intelek Kuasa Sdn Bhd (PB)</i>	466,666	1.04
19.	Tang Soo Ching	349,800	0.78
20.	Anuar bin Ahmad	333,333	0.74
21.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Wee Yiau Hin @ Ong Yiau Hin (PB)</i>	333,333	0.74
22.	Trillion Icon Sdn Bhd	333,333	0.74
23.	Maybank Nominees (Tempatan) Sdn Bhd <i>Cheong Chee</i>	311,600	0.69
24.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Harold David Fredericks</i>	253,000	0.56
25.	Maybank Securities Nominees (Asing) Sdn Bhd <i>Maybank securities Pte Ltd for Cheah Teik Seng</i>	239,800	0.53
26.	Ong Lai Thooi	233,000	0.52
27.	Maybank Securities Nominees (Asing) Sdn Bhd <i>Exempt AN for Maybank Securities Pte Ltd (A/C 648849)</i>	227,533	0.51
28.	Khoo Chang Chiang	221,566	0.49
29.	Tan Kar Khai	200,400	0.45
30.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ooi Peng Cuan</i>	200,000	0.44
<b>Total</b>		<b>40,716,987</b>	<b>90.54</b>

## Analysis Of Warrantholdings as at 15 June 2023 (Cont'd)

### SUBSTANTIAL WARRANTHOLDERS BASED ON REGISTER OF SUBSTANTIAL WARRANTHOLDERS

No.	Name of Substantial Warrantholders	No. of Warrants Held			
		Direct Interest	%	Indirect Interest	%
1.	Tan Sri Dato' Kamaluddin bin Abdullah	1,785,876	3.97	11,787,332 <i>a</i>	26.21
2.	Loh Chen Yook	6,999,565	15.56	-	-
3.	Trillion Icon Sdn Bhd	5,987,333	13.31	-	-
4.	Mizreen Capital Sdn Bhd	4,787,232	10.64	-	-
5.	Ikhmal Mirza bin Mazlin	-	-	4,787,232 <i>b</i>	10.64
6.	Chua Ming Huat	3,473,133	7.72	227,533 <i>c</i>	0.51
7.	Carrillo Capital Sdn Bhd	3,333,333	7.41	-	-

### DIRECTORS' WARRANTHOLDINGS BASED ON REGISTER OF DIRECTORS' WARRANTHOLDINGS

No.	Name of Directors	No. of Warrants Held			
		Direct Interest	%	Indirect Interest	%
1.	Datuk Ali bin Abdul Kadir	1,523,333	3.39	-	-
2.	Tan Sri Dato' Kamaluddin bin Abdullah	1,785,876	3.97	11,787,332 <i>a</i>	26.21
3.	Kok Kong Chin	1,000,000	2.22	-	-
4.	Tan Sri Dato' Seri Shamsul Azhar bin Abbas	-	-	666,666 <i>d</i>	1.48
5.	Dato' Wee Yiau Hin	333,333	0.74	-	-
6.	Loh Chen Yook	6,999,565	15.56	-	-
7.	Tunku Afwida binti Tunku Abdul Malek	-	-	-	-

#### 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 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.



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-First (31<sup>st</sup>) Annual General Meeting (“AGM”) of ENRA Group Berhad (“Company”) will be held **virtually and live-streamed** for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Meeting Platform	:	Securities Services e-Portal (“SS e-Portal”) at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a>
Day and Date	:	Thursday, 7 September 2023
Time	:	10.00 a.m.
Broadcast Venue	:	Meeting Room of Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia
Mode of Communication	:	1) Typed texts through a text box within SS e-Portal before the start or during the live streaming. 2) Alternatively, you may submit your questions to <a href="mailto:ir@enra.my">ir@enra.my</a> by 10.00 a.m. on 5 September 2023 (48 hours before the commencement of the 31 <sup>st</sup> AGM) and the Board of Directors (“Board”) will endeavour to respond to the questions submitted during the 31 <sup>st</sup> AGM.

## AS ORDINARY BUSINESS

- |   |  |
|---|--|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon.     | <i>(Please refer to Note 1 of the Explanatory Notes)</i> |
| 2. To re-elect Tan Sri Dato’ Kamaluddin bin Abdullah who retires in accordance with Article 18.3 of the Constitution of the Company.  | <i>(Ordinary Resolution 1)</i>                           |
| 3. To re-elect Tan Sri Dato’ Seri Shamsul Azhar bin Abbas who retires in accordance with Article 18.3 of the Constitution of the Company.                                     | <i>(Ordinary Resolution 2)</i>                           |
| 4. To approve the Directors’ fees and benefits payable to the Non-Executive Directors of up to RM550,000 with effect from 8 September 2023 until the next AGM of the Company. | <i>(Ordinary Resolution 3)</i>                           |
| 5. To re-appoint Messrs BDO PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.      | <i>(Ordinary Resolution 4)</i>                           |

## AS SPECIAL BUSINESS

To consider and if thought fit, with or without modifications, to pass the following resolutions:

- |   |                                |
|---|--------------------------------|
| 6. <b>Authority to Issue Shares pursuant to the Companies Act, 2016 (“the Act”)</b>   | <i>(Ordinary Resolution 5)</i> |
| <p>“THAT subject to the Act, the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;</p> |                                |

AND THAT pursuant to Section 85 of the Act to be read together with Article 4.3 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

## Notice Of Annual General Meeting (Cont'd)

### 7. **Proposed Renewal of Share Buy-Back Authority**

*(Ordinary  
Resolution 6)*

“THAT subject to the Companies Act, 2016 (“the Act”), Bursa Malaysia Securities Berhad (“Bursa Securities”), Main Market Listing Requirements (“MMLR”), the Constitution of the Company and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Board of Directors (“Board”) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the best interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on its latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

THAT at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities and/or transferred the shares for the purposes of or under an employees’ share scheme in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and Bursa Securities MMLR and any other relevant authorities for the time being in force;

THAT the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following this general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

### 8. **Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

*(Ordinary  
Resolution 7)*

“THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2.3 of Part B of the Circular to Shareholders dated 27 July 2023 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 2016 (“the Act”), the Company’s Constitution and all other applicable laws, guidelines, rules and regulations.

Notice Of Annual General Meeting  
(Cont'd)

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

9. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

CHIN SOO CHING  
MAICSA 7042265  
SSM Practicing Certificate No. 202008002101  
Chartered Secretary

Kuala Lumpur  
27 July 2023

**NOTES:**

1. The 31st AGM will be conducted virtually through live streaming and online remote voting using the remote participation and voting ("RPV") facilities hosted on the Securities Services e-Portal at <https://sshsb.net.my/> to be provided by SS E Solutions Sdn Bhd. Kindly refer to the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 16.3 of the Company's Constitution which requires the Chairman of Meeting to be present at the main venue of the Meeting. **Shareholders/proxy(ies)/corporate representatives will not be allowed to be physically present at the Broadcast Venue.**
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 29 August 2023 (General Meeting Record of Depositors) shall be eligible to attend and vote at this 31st AGM or appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

## Notice Of Annual General Meeting (Cont'd)

6. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly appointed under a Power of Attorney, if such appointor is a corporation, either under its seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
7. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 31st AGM or at any adjournment thereof :
  - (i) In hardcopy form  
The proxy form must be completed, signed and deposited with the Poll Administrator, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
  - (ii) By electronic means  
The proxy form shall be electronically submitted at <https://sshsb.net.my/> or by fax to +603 2094 9940 or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my). Please refer to the Administrative Guide for the procedures on electronic lodgement of Form of Proxy.

### EXPLANATORY NOTES ON ORDINARY BUSINESS:

#### 1. Audited Financial Statements

*Agenda item no. 1 is meant for discussion only pursuant to Section 340(1)(a) of the Companies Act, 2016 and will not be put forward for voting.*

#### 2. Re-election of Directors who retire pursuant to Article 18.3 of the Company's Constitution

*Article 18.3 provides that at least one-third (1/3) of the Directors for the time being, shall retire from office and be eligible for re-election. Tan Sri Dato' Seri Shamsul Azhar bin Abbas and Tan Sri Dato' Kamaluddin bin Abdullah being eligible, have offered themselves for re-election at this AGM.*

*The Board Nomination and Remuneration Committee ("BNRC") has assessed the performance and contribution of the retiring Directors, as well as the independence of the Independent Director seeking for re-election at the 31st AGM inclusive of their skills, experience, character, integrity, competency, commitment and contribution. Based on the findings of the Board and Board Committee Evaluation for the financial year ended 31 March 2023, the performance and contribution of the retiring Directors were found to be satisfactory and they are competent and able to discharge their fiduciary duties as Directors of the Company. BNRC is also satisfied that the retiring Directors meet the fit and proper criteria as set out in the Directors' Fit and Proper Policy. The retiring Senior Independent Non-Executive Director, Tan Sri Dato' Seri Shamsul Azhar bin Abbas also complied and satisfied the independence criteria as required by the MMLR of Bursa Securities.*

*Based on the above, the Board had endorsed the recommendation of the BNRC to seek the shareholders' approval for the re-election of the retiring Directors. All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant BNRC and Board Meetings.*

*The profiles of Directors seeking for re-elections at the 31st AGM are detailed in the Profile of the Board of Directors in the Company's Annual Report 2023.*

## Notice Of Annual General Meeting (Cont'd)

### 3. Non-Executive Directors' ("NEDs") Remuneration

- (a) At the 30th AGM of the Company held on 27 September 2022, the shareholders approved the payment of Directors' fees and benefits (meeting allowance) to the NEDs up to RM500,000 for the period from the conclusion of the 30th AGM until the conclusion of the 31st AGM.
- (b) Ordinary Resolution No. 3 is to seek shareholders' approval for the Directors' fees and benefits payable to the NEDs for the period commencing from the conclusion of this AGM until the next Annual General Meeting of the Company.

The proposed amount of RM550,000.00 is computed based on the approved remuneration policy for NEDs, the anticipated number of meetings, the assumption that an additional director may be appointed and all NEDs will remain in office until the 32nd AGM, with full attendance at all relevant meetings. The fees and meeting allowances will be paid to the NEDs upon completion of service on a quarterly basis.

Any NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution No. 3 at the 31st AGM.

Details of the Directors' fees and benefits paid to the NEDs for the financial year ended 31 March 2023 are published in the Corporate Governance Report which is available on the Company's corporate website at [www.enra.my](http://www.enra.my).

### 4. Re-appointment of Auditors

The Audit, Risk Management and Sustainability Committee ("ARMSC") was satisfied that, based on the annual assessment conducted, Messrs BDO PLT meets the criteria as prescribed under Paragraph 15.21 of the Main Market Listing Requirements. The Board at its meeting held on 21 June 2023 agreed with the recommendation from the ARMSC for shareholders' approval to be sought at the 31st AGM on the re-appointment of Messrs BDO PLT as external auditors of the Company for the financial year ending 31 March 2024.

### EXPLANATORY NOTES ON SPECIAL BUSINESS:

#### 5. Authority to Issue Shares pursuant to the Act

The proposed adoption of Ordinary Resolution No. 5 is for the purpose of waiving the statutory pre-emptive rights of shareholders of the Company ("Waiver of Pre-Emptive Rights") and granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-Emptive Rights will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising activities, including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 30th AGM held on 27 September 2022 and which will lapse at the conclusion of the 31st AGM.

## Notice Of Annual General Meeting (Cont'd)

### 6. **Proposed Share Buy-Back Authority**

*The proposed adoption of Ordinary Resolution No. 6 is for the purpose of renewing the authority granted by the shareholders of the Company at the 30th AGM held on 27 September 2022. The aforesaid proposed renewal will allow the Board to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Securities MMLR. Further information on the Proposed Share Buy-Back Authority is set out in the Circular to Shareholders dated 27 July 2023.*

### 7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")**

*The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company. Details on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 27 July 2023.*

## **PERSONAL DATA POLICY**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

## **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

As at the date of this Notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this 31st AGM.





ENRA Group Berhad 199201005296 (236800-T)

## FORM OF PROXY

Number of Shares Held	
CDS Account No.	

I/We \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_  
of \_\_\_\_\_  
contact number : \_\_\_\_\_ email address : \_\_\_\_\_ being a member /  
members of **ENRA GROUP BERHAD**, hereby appoint \_\_\_\_\_ NRIC No./Passport No.:  
\_\_\_\_\_ of \_\_\_\_\_  
contact number : \_\_\_\_\_ email address : \_\_\_\_\_ or failing whom,  
\_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_  
contact number : \_\_\_\_\_ email address : \_\_\_\_\_

or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the **Thirty-First (31st) Annual General Meeting** of the Company to be held on a **virtual basis** at the **broadcast venue at Meeting Room of Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Thursday, 7 September 2023 at 10:00 a.m.** and at any adjournment thereof in the manner as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1	To re-elect Tan Sri Dato' Kamaluddin bin Abdullah as Director of the Company.		
2	To re-elect Tan Sri Dato' Seri Shamsul Azhar bin Abbas as Director of the Company.		
3	To approve an amount of up to RM550,000 as fees and benefits payable to the Non-Executive Directors.		
4	To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
5	To approve the proposed authority to issue shares pursuant to Companies Act 2016.		
6	To approve the proposed renewal of share buy-back authority.		
7	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions.		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

For appointment of two (2) proxies, proportion of shareholdings to be represented by the two (2) proxies is as follows: -

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Signature of Member/Common Seal

### Notes:

- The 31st AGM will be conducted virtually through live streaming and online remote voting using the remote participation and voting ("RPV") facilities hosted on the Securities Services e-Portal at <https://sshsb.net.my/> to be provided by SS E Solutions Sdn Bhd. Kindly refer to the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.
- The Broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 16.3 of the Company's Constitution which requires the Chairman of Meeting to be present at the main venue of the Meeting. **Shareholders/proxy(ies)/corporate representatives will not be allowed to be physically present at the Broadcast Venue.**
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 29 August 2023 (General Meeting Record of Depositors) shall be eligible to attend and vote at this 31st AGM or appoint a proxy to attend and vote on his behalf. A proxy may but need not be a member of the Company.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly appointed under a Power of Attorney, if such appointor is a corporation, either under its seal or under the hand of an officer or attorney duly appointed under a Power of Attorney.
- The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 31st AGM or at any adjournment thereof :
  - In hardcopy form  
The proxy form must be completed, signed and deposited with the Poll Administrator, SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
  - By electronic means  
The proxy form shall be electronically submitted at <https://sshsb.net.my/> or by fax to +603 2094 9940 or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my). Please refer to the Administrative Guide for the procedures on electronic lodgement of Form of Proxy.

### PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*Fold this flap for sealing*

*Then fold here*

**AFFIX  
STAMP**

**SS E SOLUTIONS SDN BHD**

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur

*1<sup>st</sup> fold here*





**ENRA GROUP BERHAD**

199201005296 (236800-T)

D3-U6-15, Block D3, Solaris Dutamas,  
No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur  
Tel: 03-2300 3555 Fax: 03-2300 3550  
Email: [info@enra.my](mailto:info@enra.my)

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