

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 / 12 / 2021 RM ' 000	As at 31 / 03 / 2021 RM ' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	75,308	100,524
Right of use assets	9,122	11,538
Deferred tax assets	-	247
Intangible assets	-	3,708
Goodwill on acquisitions	401	4,404
Contract cost assets	78	390
Trade receivables	513	123
	<u>85,422</u>	<u>120,934</u>
<b>Current assets</b>		
Inventories	70,949	63,853
Trade and other receivables	18,125	15,134
Contract assets	163	3,259
Derivative assets	129	553
Current tax assets	378	738
Cash and bank balances and short term funds	35,268	35,657
	<u>125,012</u>	<u>119,194</u>
<b>TOTAL ASSETS</b>	<b><u>210,434</u></b>	<b><u>240,128</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	144,744	144,744
Redeemable convertible preference shares equity	2,886	2,886
Treasury Shares	(1,199)	(1,199)
Non-distributable reserves	(115)	816
Reserves	(27,071)	(32,991)
	<u>119,245</u>	<u>114,256</u>
<b>Non-controlling interests</b>	8,202	3,965
<b>Total equity</b>	<u>127,447</u>	<u>118,221</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	167	704
Trade and other payables	22,770	13,658
Borrowings	-	8,393
Lease liabilities	1,588	1,739
Redeemable convertible preference shares liability	6,834	6,465
	<u>31,359</u>	<u>30,959</u>
<b>Current liabilities</b>		
Trade and other payables	28,964	35,891
Derivative liabilities	-	344
Borrowings	21,391	53,346
Lease liabilities	121	922
Current tax liabilities	1,152	445
	<u>51,628</u>	<u>90,948</u>
<b>Total liabilities</b>	82,987	121,907
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>210,434</u></b>	<b><u>240,128</u></b>
<b>Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)</b>	<b><u>0.88</u></b>	<b><u>0.85</u></b>

*The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>31 / 12 / 2021</b>	<b>31 / 12 / 2020</b>	<b>31 / 12 / 2021</b>	<b>31 / 12 / 2020</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>
Revenue	15,379	13,317	48,141	40,096
Cost of sales	(9,532)	(7,491)	(29,253)	(29,999)
Gross profit	5,847	5,826	18,888	10,097
Other operating income	19,659	2,246	19,826	2,689
Operating expenses	(9,343)	(5,400)	(16,157)	(12,711)
Profit/(Loss) from operations	16,163	2,672	22,557	75
Lease interest expense	(34)	(43)	(105)	(113)
Finance cost	(419)	(699)	(1,574)	(2,014)
Profit/(Loss) before taxation	15,710	1,930	20,878	(2,052)
Taxation	(439)	(55)	(998)	(64)
Profit/(Loss) after taxation	15,271	1,875	19,880	(2,116)
<b>Discontinued operations</b>				
(Loss) for the financial period from discontinued operations, net of tax	263	(411)	569	1,268
Profit/(Loss) for the financial period	15,534	1,464	20,449	(848)
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	(1,259)	(1,341)	(1,239)	(2,252)
<b>Total comprehensive (loss)/ income for the financial period</b>	<b>14,275</b>	<b>123</b>	<b>19,210</b>	<b>(3,100)</b>
Profit/(Loss) attributable to:-				
Equity holders of the Company	14,255	552	15,904	(621)
Non-controlling interests	1,279	912	4,545	(227)
	15,534	1,464	20,449	(848)
Total comprehensive income/(loss) attributable to:-				
Equity holders of the Company	13,503	(64)	14,973	(1,431)
Non-controlling interests	772	187	4,237	(1,669)
	14,275	123	19,210	(3,100)
<b>Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):</b>				
(a) Basic				
Profit/(loss) from continuing operations	10.37	0.71	11.37	(1.40)
Profit/(loss) from discontinued operations	0.19	(0.30)	0.42	0.94
	10.57	0.41	11.79	(0.46)
(b) Fully diluted				
Profit/(loss) from continuing operations	7.78	0.54	8.52	(1.05)
Profit/(loss) from discontinued operations	0.15	(0.23)	0.32	0.70
	7.92	0.31	8.84	(0.35)

*The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	----- Attributable to equity holders of the Company -----							Total Equity RM ' 000
	<----- Non-distributable -----			Distributable		Total RM ' 000	Non- controlling Interests RM ' 000	
	Share Capital RM ' 000	Redeemable Convertible Preference Shares RM ' 000	Exchange Translation Reserve RM ' 000	Treasury Shares RM ' 000	Accumulated Losses RM ' 000			
<b>Financial year ended 31 March 2022</b>								
As at 1 April 2021	144,744	2,886	816	(1,199)	(32,991)	114,256	3,965	118,221
Profit for the financial year	-	-	-	-	15,904	15,904	4,545	20,449
Other comprehensive (loss)/income, net of tax	-	-	(931)	-	-	(931)	(307)	(1,239)
<b>Total comprehensive (loss)/income</b>	-	-	(931)	-	15,904	14,973	4,237	19,210
Dividends to equity holders of the Company	-	-	-	-	(9,984)	(9,984)	-	(9,984)
<b>Total transactions with owners</b>	-	-	-	-	(9,984)	(9,984)	-	(9,984)
As at 31 Dec 2021	144,744	2,886	(115)	(1,199)	(27,071)	119,245	8,202	127,447
<b>Financial year ended 31 March 2021</b>								
As at 1 April 2020	144,744	2,886	371	(1,199)	(24,977)	121,825	2,440	124,265
Loss for the financial year	-	-	-	-	(621)	(621)	(227)	(848)
Other comprehensive loss, net of tax	-	-	(810)	-	-	(810)	(1,442)	(2,252)
<b>Total comprehensive income/(loss)</b>	-	-	(810)	-	(621)	(1,431)	(1,669)	(3,100)
Dividends to equity holders of the Company	-	-	-	-	(1,686)	(1,686)	-	(1,686)
Dilution of non-controlling interest in subsidiaries	-	-	-	-	-	-	(55)	(55)
<b>Total transactions with owners</b>	-	-	-	-	(1,686)	(1,686)	(55)	(1,741)
As at 31 Dec 2020	144,744	2,886	(439)	(1,199)	(27,284)	118,708	716	119,424

*The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarters ended</b>	
	<b>31 / 12 / 2021</b>	<b>31 / 12 / 2020</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation		
Continuing operation	20,878	(2,052)
Discontinued operation	808	1,662
Adjustments for non-cash items:		
Reversal of impairment loss on trade receivables	-	(909)
Depreciation of property, plant and equipment	5,156	5,669
Depreciation of right of use assets	247	713
Amortisation of intangible assets	199	212
Realised gain on derivative	(186)	37
Fair value gain/(loss) on derivatives	423	(1,769)
Loss on disposal of subsidiaries	(19,589)	-
Gain on disposal of property, plant and equipment	74	(99)
Unrealised gain/(loss) on foreign exchange	(7)	(374)
Unwinding of redeemable convertible preference shares discount	369	342
Lease interest expense	105	156
Interest expense	1,574	2,615
Interest income	(129)	(224)
Operating profit before changes in working capital	9,922	5,979
Changes in working capital	(13,682)	19,206
Net tax paid	(66)	(1,541)
<b>Net cash (used in)/ from operating activities</b>	<b>(3,826)</b>	<b>23,644</b>
<b>Cash flows from investing activities</b>		
Interest received	129	224
(Placement)/Uplift of pledged deposits	(1,045)	(2,234)
Gain on dilution of non-controlling interest in subsidiaries	-	(55)
Proceeds from disposal of property, plant and equipment	(147)	272
Net proceeds from disposal of subsidiaries	42,297	-
Acquisition of property, plant and equipment	(91)	(19,923)
Contingent consideration paid	(680)	-
<b>Net cash from/(used in) investing activities</b>	<b>40,463</b>	<b>(21,716)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,574)	(2,615)
Dividends paid to equity holders of the Company	(9,984)	(1,686)
Net (repayment)/drawdown of borrowing	(24,136)	(26,519)
Repayment of lease liabilities	(333)	(708)
<b>Net cash used in financing activities</b>	<b>(36,027)</b>	<b>(31,528)</b>
Net decrease in cash and cash equivalents	610	(29,600)
Cash and cash equivalents at beginning of financial period	30,510	43,457
Effect of foreign currency exchange rate changes	(58)	(27)
Cash and cash equivalents at end of financial period		
Continuing operations	31,062	3,556
Discontinued operations	-	10,274
Cash and cash equivalents comprise:-		
<b>Continuing operations</b>		
Cash and bank balances	35,268	15,545
Less: Deposits pledged to licensed banks	(4,206)	(11,989)
	<u>31,062</u>	<u>3,556</u>
<b>Discontinued operations</b>		
Cash and bank balances	-	12,050
Less: Bank overdrafts	-	(1,375)
Deposits pledged to licensed banks	-	(401)
	<u>-</u>	<u>10,274</u>

*The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**

(Company No. 199201005296/ 236800-T)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021****Compliance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Securities Berhad Listing Requirements****1 Basis of preparation**

The interim financial report are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021.

**2 Changes in Significant Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2021, except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing on or after 1 January 2021:

<b>Title:</b>	<b>Effective date for the financial period commencing on or after:</b>
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021

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

<b>Title:</b>	<b>Effective date for the financial period commencing on or after:</b>
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of liabilities as Current or Non-Current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statement)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting estimates and Errors)</i>	1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

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

The auditors' report on the financial statements for the financial year ended 31 March 2021 was not subject to any audit qualification.

**4 Seasonal and cyclical factors**

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

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

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

## 6 Changes in estimates

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

## 7 Debt and equity securities

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

### a) Free Warrants

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

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

On 6 January 2021, the Board has determined that each Warrant entitles the holder of the warrant to subscribed for 1 new ENRA Share at the exercise price of RM1.00 at any time during the exercise period ("Exercise Period"), subject to any adjustment that may be made from time to time in accordance with the provisions of the deed poll constituting the Warrants dated 8 December 2020. Any Warrant not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.

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

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

The Shareholders have given the Directors the renewed mandate to allot and issue new shares up to 10% of the total number of existing issued shares from 22 October 2021 to the conclusion of the next Annual General Meeting ("AGM").

### c) Shares Buy Back/ Treasury Shares

The Shareholders have given the Directors the renewed mandate to purchase its own shares from 22 October 2021 to the conclusion of the next AGM subject to:

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

As of 31 December 2021, 1.289 million treasury shares at RM1.199 million is held by the Company.

### d) Employees' shares Scheme ("ESS")

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

## 8 Dividends paid to equity holders of the Company

The Company paid interim single tier dividend of 7.40 sen per share of RM9.98 million on 28 December 2021 (Note 30).

## 9 Revenue

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

	Discontinued Operations Cumulative Quarters		Continuing Operations Cumulative Quarters	
	31 / 12 / 2021	31 / 12 / 2020	31 / 12 / 2021	31 / 12 / 2020
	RM'000	RM'000	RM'000	RM'000
<b>Products and services:</b>				
Sale of properties	-	-	1,509	489
Sale of trading goods	24,915	44,188	6,913	1,905
Leasing	-	-	25,634	25,865
Services rendered	695	746	14,085	11,837
	<u>25,609</u>	<u>44,934</u>	<u>48,141</u>	<u>40,096</u>
<b>Timing of revenue recognition:</b>				
At a point in time	24,915	44,188	6,913	1,905
Over time	695	746	41,228	38,191
	<u>25,609</u>	<u>44,934</u>	<u>48,141</u>	<u>40,096</u>

## 10 Segmental information

	Continuing Operations				Discontinued Operations	Consolidated
	Property development	Energy services	Investment oldings and others	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial period ended 31 Dec 2021</b>						
<b>Revenue</b>						
- External	1,509	46,632	-	48,141	25,609	73,750
<b>Results</b>						
Operating (loss)/profit	(463)	34,709	(11,818)	22,428	1,456	23,884
Interest income				129	-	129
Lease interest expense				(105)	(5)	(110)
Finance cost				(1,574)	(643)	(2,217)
Tax expense				(998)	(239)	(1,236)
Profit for the financial year				<u>19,880</u>	<u>569</u>	<u>20,450</u>
Earning before interest, tax, depreciation and amortisation	<u>(327)</u>	<u>40,024</u>	<u>(11,750)</u>	<u>27,947</u>	<u>-</u>	<u>27,947</u>

	Continuing Operations				Discontinued Operations	Consolidated
	Property development	Energy services	Investment oldings and others	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial period ended 31 Dec 2020</b>						
<b>Revenue</b>						
- External	490	39,606	-	40,096	44,934	85,030
<b>Results</b>						
Operating profit/(loss)	(401)	6,619	(6,388)	(170)	2,327	2,157
Interest income				246	(22)	224
Lease interest expense				(113)	(43)	(156)
Finance cost				(2,013)	(602)	(2,615)
Tax expense				(60)	(398)	(458)
Loss for the financial year				<u>(2,110)</u>	<u>1,262</u>	<u>(848)</u>
Earning before interest, tax, depreciation and amortisation	<u>(274)</u>	<u>11,337</u>	<u>(5,993)</u>	<u>5,070</u>	<u>-</u>	<u>5,070</u>

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

## 11 Changes in the composition of the Group

- (a) Non-Binding Indicative Offer ("NBIO") by ENRA Group Berhad ("ENRA") to acquire certain assets ("Identified Assets") from MTU Services (Malaysia) Sdn Bhd ("MSM") ("Proposed Acquisition") and lease the Identified Assets back to MSM ("Proposed Lease")

On 8 July 2021, ENRA has made an announcement on the issuance of NBIO to MSM for the Proposed Acquisition and the Proposed Lease. MSM has, on the same date, accepted the NBIO.

The Proposed acquisition of the Identified Assets consist of selected properties (together with building fixtures and fittings) ("Properties") as well as certain plant, equipment, inventories and machinery ("Selected Assets") owned by the vendor for an estimated total purchased consideration of RM60 million ("Estimated Consideration") to be satisfied by RM33 million in cash and the issuance of 27 million new ordinary shares of ENRA ("ENRA Share(s)") at an issue price of RM1.00 per ENRA Share.

Pursuant to the Proposed Acquisition, ENRA will enter into a rental arrangement(s) with Vendor for the Properties and Selected Assets for a period of up to 9 years, at RM3.3 million per annum or 18% of MSM's annual revenue, whichever is higher, on a triple net rental basis.

ENRA is also proposing for a collaborate with MSM to grow ENRA's existing MRO business under ENRA Energy Solutions Sdn Bhd, a wholly-owned subsidiary of ENRA, on terms to be mutually agreed.

ENRA has appointed relevant advisers in respect of the various proposal above. The definitive agreement(s) relating to the proposals are only expected to be entered into after satisfactory completion of the undertaken due diligence exercise, which may take up to 3 months to complete from the receipt of all required information/document from the MSM.

The NBIO will be terminated in the event of occurrence of any material adverse events, and/or both ENRA and Vendor are unable to reach an agreement on the terms of the Definitive Agreements and mutually agree to part ways.

The conditions precedent of the Proposed Acquisition, amongst others, are as follows:

- i) ENRA has raised funds (both internal and bank borrowings) for the Proposed Acquisition;
- ii) the approvals have been obtained from shareholders of ENRA, and Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other relevant authorities/governmental bodies or parties; and
- iii) any other conditions as may be determined by ENRA to be set out in the Definitive Agreements

ENRA will make the necessary announcement upon the execution of the Definitive Agreements.

- (b) Proposed divestment of entire issued share capital of ENRA Kimia Sdn Bhd ("ENRA KIMIA") by ENRA Energy Sdn Bhd ("ENRA Energy") ("Proposed Divestment").

On 23 July 2021, ENRA Energy, a wholly-owned subsidiary of ENRA had received a Letter of Offer ("LO") dated the same date from Hextar Global Berhad ("Hextar Global") (49%) and Ekopintar Sdn Bhd ("Ekopintar") (51%), (collectively the "Acquirors") for an acquisition of the entire issued share capital of its subsidiary, ENRA Kimia for a total cash consideration of RM50 million ("Purchase Consideration"). The offer was accepted on the same date subject to the finalisation of the terms and conditions and execution of the definitive agreement(s) and receipt of approvals from shareholders of ENRA, Bursa Securities and/or any other relevant authorities/governmental bodies or parties as may be required.

The Purchase Consideration is payable as follows;

- i) 10% (RM5 million) payable upon signing the definitive agreement (s) e.g. share sale agreement, etc. relating to the Proposed Divestment ("Definitive Agreements"); and
- ii) 90% (RM45 million) payable upon the date of completion of the Proposed Divestment ("Completion").

ENRA has clarified that Dato' Mazlin bin Md Junid ("Dato' Mazlin"), the former President and Group CEO of ENRA owns 50% of Ekopintar and is a Director of Ekopintar. As such, the Proposed Divestment was a related party transaction pursuant to interests of Dato' Mazlin in the Proposed Divestment. In this respect, and for the record, Dato' Mazlin did not attend nor participate in the Board meeting to consider the Proposed Divestment.

ENRA has appointed the relevant advisers (including Independent Adviser to advise minority shareholders) before the finalisation of the terms of the Definitive Agreements.

On 2 August 2021, ENRA Energy had entered into a share sale agreement ("SSA") to dispose its entire equity interest in ENRA Kimia to Hextar Global and Ekopintar for a cash consideration of RM50 million, subject to the adjustment as set out in the SSA.

Shareholders approval on the proposed divestment has been obtained via Extraordinary General Meeting ("EGM") on 22 Oct 2021. The proposed divestment has been completed on 30 November 2021 in accordance with the terms and conditions of the SSA.

## 12 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.

The discovery process is currently ongoing.

ESPML's solicitors advised that ESPML has valid and viable defences and a meritorious counterclaim on the facts. ESPML has therefore not made any provision for liabilities in respect of PT CMS's claims beyond what was already recognised up to the financial period ended 30 June 2021 nor recognised any asset arising from the counter claim against PT CMS.

#### Writ of summons (in rem) by ENRA SPM Sdn Bhd ("ESPM") and ENRA SPM Labuan Limited ("ESPML") against PT Cakra

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

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

### b) Claim against SPM Terminal Pty Ltd ("SPMT") as the 1st Respondent and ENRA SPM Labuan Limited ("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. Controval served their Reply and Defence to Counterclaim on the 6th of August 2021. ESPML served its Rejoinder and Reply to Counterclaim on the 20 August 2021.

Controval has requested for a mutual settlement and suspended the Arbitration process on 25th October 2021. Both parties are negotiating for the settlement agreement.

At this stage, the Company is unable to determine reliably the potential financial impact on the Group's results for the period ended 31 December 2021.

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

### 13 Significant related party transactions

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

		Cumulative Quarters	
		31 / 12 / 2021	31 / 12 / 2020
		RM'000	RM'000
i)	Purchase of goods and services from non-controlling interest of subsidiaries	3,425	552
ii)	Provision of operation and maintenance (O&M) services from a non-controlling interest of	5,161	5,208
iii)	Project management fee from non-controlling interest of subsidiaries	630	864
iv)	Interest charges on advances from a non-controlling interest of subsidiaries	134	627
v)	Sales of goods and services to non-controlling interest of subsidiaries	(941)	(352)
vii)	Commision fee paid to company owned by a director of subsidiary	159	10

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

### 14 Changes in material contingent liabilities or assets

There were no material contingent liabilities or contingent assets since the last financial year ended 31 March 2021 other than what may or may not arise from the legal claims in Notes 12 (a), (b) and (c) and the corporate guarantees given by the Company in favour of its subsidiaries as follows:

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

### 15 Capital commitments

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

	As at	As at
	31 / 12 / 2021	31 / 12 / 2020
	RM'000	RM'000
<b>Approved and contracted for</b>		
- Purchase of property, plant and equipment	-	-
<b>Approved but not contracted for</b>		
- Purchase of property, plant and equipment	-	1,699

### 16 Review of performance

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

- (i) The Group's property development division comprises projects in Malaysia and abroad.
- (ii) The Group's energy services division, entails the trading and supply of products like specialty chemicals, provision of logistics/ chartering, engineering, operation and maintenance services relating to the energy sector.
- (iii) The Group's investment holdings division comprises of holding of investment in subsidiaries, associate and joint venture as well as management services and provision of financial assistance for companies within the Group.
- (iv) The figures stated below has been restated "in line with the requirements of MFRS 5.

<u>Quarter</u>	<u>Revenue</u>			<u>Consolidated</u>
	<u>Property development</u>	<u>Energy services</u>	<u>Investment</u>	
			<u>holdings and others</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>FY21/22:</u></b>				
Quarter 1	392	13,876	-	14,268
Quarter 2	164	18,330	-	18,494
Quarter 3	953	14,426	-	15,379
Revenue from discontinued operation	-	25,609	-	25,609
Full financial year including discontinuing operation	1,509	72,241	-	73,750

<u>Quarter</u>	<u>Revenue</u>			<u>Consolidated</u>
	<u>Property development</u>	<u>Energy services</u>	<u>Investment</u>	
			<u>holdings and others</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>FY20/21:</u></b>				
Quarter 1	-	13,221	-	13,221
Quarter 2	-	13,558	-	13,558
Quarter 3	490	12,827	-	13,317
Quarter 4	1,184	14,021	-	15,205
Full financial year	1,674	53,627	-	55,301
Revenue from discontinued operation**	-	57,498	-	57,498
Full financial year including discontinuing operation	1,674	111,125	-	112,799

<u>Quarter</u>	<u>(Loss)/Profit before taxation</u>			<u>Consolidated</u>
	<u>Property development</u>	<u>Energy services</u>	<u>Investment</u>	
			<u>holdings and others</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b><u>FY21/22:</u></b>				
Quarter 1	(479)	4,771	(2,064)	2,228
Quarter 2	(435)	5,350	(1,975)	2,940
Quarter 3	(154)	4,331	(8,056)	(3,879)
Full financial year	(1,068)	14,452	(12,095)	1,289
PBT from discontinued operation	-	808	-	808
Full financial year including discontinuing operation	(1,068)	15,260	(12,095)	2,097
Exceptional items	-	19,589	-	19,589
Full financial year excluding exceptional items	(1,068)	34,849	(12,095)	20,878
<b><u>FY20/21:</u></b>				
Quarter 1	(300)	(1,004)	(2,200)	(3,504)
Quarter 2	(246)	2,207	(2,439)	(478)
Quarter 3	(287)	4,082	(1,865)	1,930
Quarter 4	(440)	(1,151)	(4,094)	(5,685)
Full financial year	(1,273)	4,134	(10,598)	(7,737)
PBT from discontinued operation**	-	4,339	-	4,339
Full financial year including discontinuing operation	(1,273)	8,473	(10,598)	(3,398)
Exceptional items	30	8,505	-	8,535
Full financial year excluding exceptional items	(1,243)	16,978	(10,598)	5,137

\*\* The revenue and PBT from discontinued operation for FYE 31 Mar 2021 are prepared for comparison purpose only. The SSA for the disposal of EKSB group of companies was signed on 2 August 2021.

### **Q3 FY21/22 v Q3 FY20/21**

For the individual quarter ended 31 Dec 2021 ("Q3 FY21/22"), the Group's revenue increased by RM2.06 million due to higher contribution from both Energy Services and Property Development Divisions as compared to the same quarter last year. The Group however recorded a loss before taxation ("LBT") of RM3.88 million against profit before taxation ("PBT ") of RM1.93 million in Q3 FY20/21.

The Energy Services Division recorded a higher revenue of 12% against the same quarter last year, mainly due to the contribution from ENRA IOL Sdn Bhd, our energy savings LED business. In line with increase in revenue, the PBT for Q3 FY21/22 of RM4.33 million was 6% higher compared to the same period last year.

The Property Development Division recorded a revenue of RM0.95 million in Q3 FY21/22, 95% higher as compared to RM0.49 million in the same quarter last year. These revenue are contributed from the same maiden project in Teluk Panglima Garang under Q Homes brand focusing in affordable house. The Division is still incurring a loss as a result of an increase in headcount and administration expenses to manage the increased number of projects in the pipeline.

### **FY21/22 vs FY20/21**

Revenue for 9MFY21/22 of RM48.14 million, increased by 20% from RM40.07million in 9MFY20/21 due to higher contribution from both Property Development and Energy Services Division. As for the Energy Services Division, the increased of RM7.03 million (18%) was mainly due to a project from our energy saving LED light business. Whilst for the Property Development Division, revenue from development progress of the maiden project in Teluk Panglima Garang has made up an increased by RM1.02 million against the same period last year.

The higher Group PBT of RM1.29 million as compared to last year LBT of RM2.05 million was in line with the increased in revenue above and coupled with stable operational costs at our Floating Storage and Offloading (FSO) business.

## **17 Material change in profit before taxation compared to the immediate preceding quarter**

### **Q3 FY21/22 v Q2 FY21/22**

For the financial quarter under review, the Group recorded a lower revenue of RM15.38 million compared to RM18.50 million in Q2 FY21/22, mainly due to 77% of the progress billing of a project under ENRA IOL Sdn Bhd was recognised in the previous quarter. On the other note, the Group made a LBT from PBT of RM1.93 million in the previous quarter due to extra expenses incurred on corporate exercises.

## **18 Discontinued Operation**

	<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
	<b>31 / 12 / 2021</b>	<b>31 / 12 / 2020</b>	<b>31 / 12 / 2021</b>	<b>31 / 12 / 2020</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>	<b>RM ' 000</b>
Revenue	8,368	10,607	25,609	44,934
Profit from operations	429	(59)	1,456	2,327
Profit before taxation	348	(361)	808	1,661
Profit after taxation	263	(416)	569	1,262

The discontinued operation is pertaining to divestment of ENRA Kimia Sdn Bhd and its subsidiaries ("EK Group/ Proposed Divestment") which was completed on 30 November 2021 as disclosed above in Note 11 (b)

## **19 Future prospects**

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

### **(a) Property Development Division**

The general progress of our projects was affected by the prolong lockdown under the EMCO during the start of FY21/22. However, on a positive note, we have seen an encouraging recovery over the past quarters, with construction of our fully-sold Taman Iram Perdana project is on course to be completed by April 2022. We have managed to obtain building plan approvals for some of our projects and also able to secure three (3) more plots of land for our affordable homes projects. Our overall outlook remains optimistic as the rise of the Omicron variant appears to have had limited impact on the respective approving authorities for the time being. We remain confident in our chosen market and will continuously identify and grow our projects in this niche segment.

(b) Energy Services Division

Despite the prolong Covid-19 crisis, the Energy Services Division is expected to remain profitable in this financial year with the ongoing Single Point Mooring and Floating Storage contract in Myanmar combined with our engineering services contract. The upstream service provider sub-segment is showing early sign of recovery, as global and national economic activities levels up to nearing pre-Covid condition, together with higher and stable oil price. With the divestment of EK Group, the division will continue to grow its Maintenance, Repair and Overhaul ("MRO") business charting further growth for the division. Our overall outlook remains positive.

The Group will focus on achieving our FY'21/22 revenue target, operational improvement and cost management initiatives.

## 20 Profit forecast

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

## 21 (Loss)/Profit for the financial year

	Cumulative Quarters	
	31 / 12 / 2021	31 / 12 / 2020
	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after (crediting) / charging		
Interest income	(129)	(224)
Interest expense	1,574	2,615
Lease interest expense	105	156
Other income including investment income	(19,697)	(2,465)
Depreciation of property, plant and equipment	5,156	5,669
Depreciation of right of use assets	247	713
Amortisation of intangible assets	199	212
Realised (gain)/loss on derivatives	(186)	37
Fair value loss/ (gain) on derivatives	423	(1,769)
Loss/ (gain) on disposal of property, plant and equipment	74	(99)
Unrealised gain on foreign exchange	(7)	(374)
Realised gain from foreign exchange	(48)	(40)

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

## 22 Income tax expense

### Continuing Operations:

	Individual Quarter		Cumulative Quarter	
	31 / 12 / 2021	31 / 12 / 2020	31 / 12 / 2021	31 / 12 / 2020
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	439	44	982	53
- under provision for prior year	-	11	16	11
	439	55	998	64

### Discontinued Operations:

	Individual Quarter		Cumulative Quarter	
	31 / 12 / 2021	31 / 12 / 2020	31 / 12 / 2021	31 / 12 / 2020
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	25	-	124	-
- under provision for prior year	-	-	-	137
	25	-	124	137
Australian income tax :-				
- current taxation	60	44	115	388
- overprovision for prior year	-	(130)	-	(130)
	60	(86)	115	258

## 23 Goodwill

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

	As at 31 / 12 / 2021	As at 31 / 12 / 2020
	RM'000	RM'000
75% of ENRA Engineering And Fabrication Sd. Bhd. ("EEFAB")	-	8,505
100% of International Chemicals Engineering Pty. Ltd. ("ICE")	-	4,004
51% of ENRA IOL Sdn. Bhd. ("EIOL")	401	401
51% of Abode Senior Living Limited ("ASLL")	-	24
51% of Q Homes Sdn. Bhd. ("Q Homes")	-	7
	<u>401</u>	<u>12,941</u>

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

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

## 24 Borrowings and debts securities

Total borrowings of the Group were analysed as follows :

	Short Term		Long Term		Total		Total Group RM'000
	Foreign currency RM'000	Malaysian Ringgit RM'000	Foreign currency RM'000	Malaysian Ringgit RM'000	Foreign currency RM'000	Malaysian Ringgit RM'000	
<b>As at 31 Dec 2021:</b>							
<b>Secured</b>							
Term loans	10,709	10,682	-	-	10,709	10,682	21,391
Trade facilities	-	-	-	-	-	-	-
	<u>10,709</u>	<u>10,682</u>	<u>-</u>	<u>-</u>	<u>10,709</u>	<u>10,682</u>	<u>21,391</u>
<b>As at 31 Dec 2020:</b>							
<b>Secured</b>							
Term loans	10,385	8,193	-	28,802	10,385	36,995	47,380
Trade facilities	-	8,000	-	-	-	8,000	8,000
	<u>10,385</u>	<u>16,193</u>	<u>-</u>	<u>28,802</u>	<u>10,385</u>	<u>44,995</u>	<u>55,380</u>

## 25 Derivatives

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

Details of the Group's derivatives financial instruments outstanding as at 31 Dec 2021 are as follows:

	Currency	Notional value RM'000	Net Fair value gain/(loss) RM'000
<b>As at 31 Dec 2021:</b>			
Forward currency buying contracts more than 1 year	USD	1,432	(423)
<b>Net fair value loss</b>			<u>(423)</u>
<b>As at 31 Dec 2020:</b>			
Forward currency selling contracts less than 1 year	GBP	1,867	(160)
Forward currency selling contracts less than 1 year	USD	8,615	1,929
<b>Net fair value loss</b>			<u>1,769</u>

## 26 Material impairment of assets

There is no material impairment loss of assets recognised in the statement of profit and loss and other comprehensive income in the current quarter and comparative quarter except as disclosed in Note 21.

## 27 Material litigation

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

## 28 Earnings per ordinary share

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

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

	Quarter Ended		Cumulative Quarter Ended	
	31 / 12 / 2021	31 / 12 / 2020	31 / 12 / 2021	31 / 12 / 2020
Profit/(Loss) from continuing operation attributable to equity holders of the Company (RM'000)	13,992	963	15,335	(1,889)
Profit/(Loss) from discontinued operation (RM'000)	263	(411)	569	1,268
	<u>14,255</u>	<u>552</u>	<u>15,904</u>	<u>(621)</u>
Weighted average number of ordinary shares in issue ('000)				
Total number of ordinary shares	136,208	136,208	136,208	136,208
Treasury shares	(1,289)	(1,289)	(1,289)	(1,289)
	<u>134,919</u>	<u>134,919</u>	<u>134,919</u>	<u>134,919</u>
Potential maximum shares from the warrants conversion to new shares	44,972	44,972	44,972	44,972
Potential maximum number of ordinary shares	<u>179,891</u>	<u>179,891</u>	<u>179,891</u>	<u>179,891</u>
Basic earnings per share (sen) :				
Profit/(loss) from continuing operations	10.37	0.71	11.37	(1.40)
Profit/(loss) from discontinued operations	0.19	(0.30)	0.42	0.94
	<u>10.57</u>	<u>0.41</u>	<u>11.79</u>	<u>(0.46)</u>
Diluted earnings per share (sen) :				
Profit/(loss) from continuing operations	7.78	0.54	8.52	(1.05)
Profit/(loss) from discontinued operations	0.15	(0.23)	0.32	0.70
	<u>7.92</u>	<u>0.31</u>	<u>8.84</u>	<u>(0.35)</u>

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

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

## 30 Dividends

On 2 December 2021, the Board of Directors has declared a special single tier interim dividend of 7.4 sen per share in respect of FY21/22 amounting to RM9.98 million (FY20/21: Nil) which is recognised in FY21/22. The dividend was paid on 28 Dec 2021.

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