

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2020

	Individual Quarter		Cumulative Period	
	Current Year Quarter 1 Jan 2020 to 31 March 2020 RM'000	Preceding Year Corresponding 1 Jan 2019 to 31 March 2019 RM'000	Current Year To Date 1 July 2019 to 31 March 2020 RM'000	Preceding Year Corresponding 1 July 2018 to 31 March 2019 RM'000 (Note 1)
Revenue	12,742	9,234	71,322	N/A
Cost of sales and services	(12,051)	(5,265)	(50,550)	N/A
Gross profit	691	3,969	20,772	N/A
Other operating income	307	183	743	N/A
Administration and other operating expenses	(10,216)	(5,811)	(26,518)	N/A
Depreciations	(735)	(891)	(2,079)	N/A
Finance costs	(530)	(373)	(1,459)	N/A
Gain on disposal of a subsidiary (Note 2)	-	-	1,933	N/A
Loss before taxation	(10,483)	(2,923)	(6,608)	N/A
Income tax expense	(64)	4	(64)	N/A
Loss after tax for the period	(10,547)	(2,919)	(6,672)	N/A
Other comprehensive income	-	-	-	N/A
Total other comprehensive income	-	-	-	N/A
Total comprehensive loss for the period	(10,547)	(2,919)	(6,672)	N/A
Total comprehensive loss attributable to:				
Equity holders of the parent	(10,591)	(2,870)	(7,899)	N/A
Non-controlling Interest	44	(49)	1,227	N/A
	(10,547)	(2,919)	(6,672)	N/A
Weighted average no. of ordinary shares in issue ('000) (Note 3)	218,516	159,690	218,516	N/A
Loss per share attributable to Owners of the Company				
- Basic (sen)	(4.85)	(1.80)	(3.61)	N/A
Loss per share - Diluted (sen)	(4.85)	(1.80)	(3.61)	N/A

Notes:

- In view of change in financial year end in previous year, there were no comparative financial information available for the 9-month financial period 31 March 2020.
- Gain on disposal of a subsidiary namely Handal Simflexi Sdn Bhd in July 2019.
- Basic/ Diluted earning/ (loss) per share for the quarter and financial period are calculated based on the net profit/(loss) divided by the weighted average number of ordinary shares for the quarter and financial period respectively

HANDAL ENERGY BERHAD
(formerly known as HANDAL RESOURCES BERHAD
(New Company Registration No. 200801015549 (816839-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Unaudited As at 31 March 2020 RM'000	Audited As at 30 June 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	50,918	29,109
Intangible assets (Note 1)	32,605	10,910
	<u>83,523</u>	<u>40,019</u>
Current Assets		
Inventories	12,902	10,027
Trade receivables	7,482	11,323
Other receivables	1,212	2,574
Contract assets	27,879	11,191
Financial assets at fair value through profit or loss	-	4,837
Tax recoverable	723	527
Short term investment	186	-
Fixed deposits with licensed banks	19,762	13,495
Cash in hand and at bank	2,023	5,401
	<u>72,170</u>	<u>59,374</u>
Assets directly associated with non-current assets classified as held-for-sale	0	2,360
	<u>72,170</u>	<u>61,735</u>
Total Assets	155,693	101,753
EQUITY AND LIABILITIES		
Equity		
Share capital	100,469	84,999
Irredeemable Convertible Preference Shares	9,408	-
Treasury shares	(72)	(72)
Accumulated losses	(15,812)	(7,939)
Equity attributable to owners of the Company	93,992	76,987
Non-controlling interests	7,727	1,021
Total equity	<u>101,719</u>	<u>78,009</u>
Non-current liabilities		
Hire purchase liabilities	462	604
Deferred taxation	2,796	2,700
	<u>3,258</u>	<u>3,305</u>
Current Liabilities		
Trade payables	13,617	2,666
Other payables	13,664	2,703
Hire purchase liabilities	189	333
Short term borrowings	23,247	12,376
	<u>50,716</u>	<u>18,077</u>
Liabilities directly associated with non-current assets classified as held-for-sale	-	2,363
	<u>50,716</u>	<u>20,440</u>
Total liabilities	<u>53,974</u>	<u>23,745</u>
Total equity and liabilities	155,693	101,753
Net Assets Per Share attributable to Owners of the Company (RM)	0.43	0.44

Note

- Intangible assets include: (i) Intellectual property, and; (ii) Goodwill arising from surplus of purchase consideration from acquisition of subsidiaries over the fair value of the net assets of the said subsidiaries.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying notes attached to this quarterly financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE THIRD QUARTER ENDED 31 MARCH 2020**

	Attributable to equity holders of the Company						Non-controlling Interest	Total Equity
	Non-distributable			Distributable				
	Share Capital	Irredeemable Convertible Preference Shares	Treasury Shares	Accumulated Losses	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
For 9 months ended 31 March 2020								
Balance as at 1 July 2019	84,999	-	(72)	(7,939)	76,987	1,021	78,009	
Issue of new share capital for acquisition of a subsidiary, net of transaction costs	15,470	9,408	-	-	24,878	1,340	26,218	
Total comprehensive profit/(loss) for the quarter	-	-	-	(7,899)	(7,899)	1,227	(6,672)	
Acquisition of addition equity interest from non-controlling interest	-	-	-	26	26	(26)	-	
Non-controlling interest arising on business combination	-	-	-	-	-	4,165	4,165	
Balance as at 31 March 2020	100,469	9,408	(72)	(15,812)	93,992	7,727	101,719	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying notes attached to this quarterly financial report.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Current Year To Date 1 July 2019 to 31 March 2020 RM'000	Preceding Year Corresponding Period 1 July 2018 to 31 March 2019 RM'000 (Note 1)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,608)	-
Adjustments for non-cash items/ non-operating items	1,222	-
Operating loss before working capital changes	(5,385)	-
Increase in inventories	(2,875)	-
Decrease in trade and other receivables	16,210	-
Decrease in contract assets	397	-
Decrease in trade and other payables	(8,656)	-
Cash used in from operations	(310)	-
Interest received	348	-
Interest paid	(1,459)	-
Income taxes paid	(1,053)	-
Net cash used in operating activities	(2,474)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to short term investment	(186)	-
Addition to property, plant and equipment	(1,772)	-
Addition to Construction-in-progress of property, plant and equipment	(20,806)	-
Proceeds from disposal of property, plant and equipment	23	-
Proceeds from disposal of financial assets measured at fair value through profit or loss	4,900	-
Proceeds from disposal of non-current assets held for sale	3,858	-
Effect of acquisition of a subsidiary	13,019	-
Net cash used in investing activities	(965)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in pledged fixed deposits	(6,267)	-
Repayment to hire purchase creditors	(575)	-
Drawdown from trade financing	7,112	-
Repayment of trade financing	(3,312)	-
Net cash used in financing activities	(3,041)	-
Net decrease in cash and cash equivalents	(6,480)	-
Cash and cash equivalents at beginning of the period	(5,884)	-
Cash and cash equivalents at end of the period	(12,364)	-
Cash and cash equivalents comprises :-		
Cash and bank balances	2,023	-
Fixed deposits with licensed banks	19,762	-
Bank overdrafts	(14,287)	-
	7,498	-
Fixed deposits pledged with licenced banks	(19,762)	-
	(12,264)	-

Note

- In view of change in financial year end in previous year, there were no comparative financial information available for the 9-month financial period 31 March 2019.

The Condensed Consolidated Statement of Cash flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 and the accompanying notes attached to this quarterly financial report.

NOTES TO THE INTERIM FINANCIAL REPORT**A. EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of Preparation**

The unaudited condensed interim financial statements of the Company and its subsidiaries (the "Group") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 14, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board.

The interim financial report is unaudited and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 30 June 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2019.

A2. Application of New and Amendments to MFRSs

The Group has not early adopted any new and amendments standards issued but not yet effective for the accounting period beginning 1 July 2019. The initial application of the MFRSs, Amendment to MFRSs and IC interpretations, which will be applied prospectively, or which requires extended disclosures, is not expected to have any significant financial impact on the interim financial statements of the Group.

The accounting policies applied by the Group are consistent with those applied in the previous financial year other than the application of the amendments to MFRSs as disclosed below.

During the financial year, the Group have applied the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") which are effective for accounting period beginning on or after 1 July 2019: -

- MFRS 16, "Leases"
- Amendments to MFRS 3, "Business Combination" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 9, "Prepayment Features with Negative Compensation"
- Amendments to MFRS 11, "Joint Arrangement" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 112, "Income taxes" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 119, "Employee Benefits" (Plan amendment, curtailment or settlement)
- Amendments to MFRS 123, "Borrowing Costs" (Annual improvements to 2015-2017 Cycle)
- Amendments to MFRS 128, "Long-term Interests in Associates and Joint Ventures"
- IC Interpretation 23, "Uncertainty over Income Tax Treatments"

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**A2. Application of New and Amendments to MFRSs (Continued)**

The application of the Amendments has no significant impact to the condensed financial statements except the changes arising from MFRS 16 Leases, as disclosed below:

MFRS 16 introduces a single, on-balance sheet lease accounting model for leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its balance sheet as recording certain leases as off-balance sheet leases will no longer be allowed except for some limited practical exemptions. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its balance sheet are expected to increase substantially.

The financial effects arising from the application of this Standard is not significant.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group and the Company for the financial period ended 30 June 2019 did not contain any qualification.

A4. Items of Unusual Nature

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the financial quarter under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the current financial quarter.

A6. Changes in Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter.

A7. Dividend Paid and Distributed

There were no dividends paid in the current financial period.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
31 MARCH 2020**

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A8. Segmental Information

The Group is organized into the following operating segments: -

- (I) Investment Holding
Investment holding activities in subsidiaries and other investments
- (II) Integrated Cranes Services
Provision of crane rental, overhaul and maintenance, fabrication, workover project, lifting solution, manpower and parts supply, etc.
- (III) Pipeline Engineering Services
Provision of fabrication, maintenance and engineering services for risers, pig traps and pipeline isolations, etc.
- (IV) Others
Supply fabricate and servicing industrial equipment and tank systems; Consultancy services in engineering project and well services, and pre-operating entities.

For 9 Months Period ended 31 March 2020	Investment holding	Integrated Crane Services	Pipeline Engineering Services	Others	Elimination	Consolidated
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
Revenue						
Revenue from external	-	38,178	30,479	2,665	-	71,322
Inter-segment	-	256	-	-	(256)	-
Total revenue	0	38,434	30,479	2,665	(256)	71,322
Results						
Gross Profit	-	15,482	4,823	466	-	20,772
GP Margin	-	40%	16%	18%	-	29%
Other operating income	2,023	400	253	-	-	2,676
Administrative and Other operation expenses	(5,354)	(12,876)	(4,673)	(3,614)	-	(26,518)
Depreciation	(222)	(1,673)	(165)	(20)	-	(2,079)
Finance cost	(62)	(739)	(615)	(43)	-	(1,459)
Loss before tax	(3,615)	593	(376)	(3,211)	-	(6,608)
Taxation	-	-	(64)	-	-	(64)
Loss after tax	(3,615)	593	(440)	(3,211)	-	(6,672)
Assets						
Segment assets	28,326	76,909	27,247	23,212	-	155,693
Liabilities						
Segment liabilities	774	24,778	19,843	8,579	-	53,974

NOTE: Other operating income in Investment holding segment included a gain on disposal of a subsidiary of RM 1,933,232.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**A8. Segmental Information (Continued)**

The presentation of segmental information for current financial quarter has been changed compared to preceding quarters. The previously reported business segments of integrated crane services, fabrication of cranes, workover project lifting solutions, machinery and fabrication works have been grouped under "Integrated Cranes Business"; provision of maintenance and services for risers and pipeline isolations are grouped under "Pipeline Engineering Services, and; supply, fabrication and servicing industrial equipment and tank systems, consultancy services for engineering projects are grouped as "Others". There was no change in "Investment Holding" business segment.

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter.

A10. Capital Commitments

Capital commitments approved but not provided for in the financial statements are as follows:

	As at 31 March 2020 RM'000
Property, plant and equipment	
- Approved but not contracted for	<u>99,922</u>

A11. Material events subsequent to the end of financial period reported

There were no material events subsequent to the end of the financial period reported.

A12. Changes in composition of the Group

There were no changes in composition of the Group during the current financial quarter.

A13. Contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
31 MARCH 2020

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A14. Significant Related Party Transactions

The Group had the following transactions during the current financial quarter with related parties in which a director of the Group has substantial financial interest: -

Name of Related Parties	Nature of Transaction	Amount (RM'000)
Thrustbar Resources Sdn Bhd ("Thrustbar")	Provision of pipeline pumping services from Thrustbar to Borneo Seafshore Engineering Sdn Bhd	4,685

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD**B1. Review of Performance****(a) Current Quarter (Q3 2020) vs Preceding Year Corresponding Quarter (Q1 2019)**

	Individual Period		Variance	
	Current Quarter	Preceding Year Corresponding Quarter		
	31 March 2020	31 March 2019	RM' 000	%
	RM' 000	RM' 000		
Revenue	12,742	9,234	3,508	38
Gross Profits	691	3,969	(3,278)	(83)
Loss Before Interest and Tax	(9,953)	(2,550)	(7,403)	290
Loss) Before Tax	(10,483)	(2,923)	(7,560)	259
Loss After Tax	(10,547)	(2,919)	(7,628)	261

For the current quarter, the Group posted a loss after tax of RM10.5 million compared to a loss after tax of RM2.9 million registered in the preceding year corresponding quarter despite of slight growth in revenue compared to corresponding quarter in previous year. The Group's revenue for the reporting quarter was RM12.7 million, a 38% increase from RM9.2 million recorded in the corresponding quarter last year. The increase of revenue was mainly attributable to the additional contribution from a new business segment namely Pipeline Engineering Services upon acquisition of a new 51% owned subsidiary during the financial year.

The lower performance in the current quarter was mainly attributable to the outbreak of Covid-19 pandemic since March 2020 which led to significant disruptions to both onshore and offshore activities in oil and gas industry. The ongoing enforcement of Movement Control Order by the government has constrained all operational activities in the Group and the industry. The net loss after tax posted in current quarter was mainly attributable to the aforesaid negative impacts to low revenue growth while the fixed overheads and operating costs remained constant. The performance of the respective operating business segments for the current quarter is analysed as follows:-

(i) Integrated Crane Services

The revenue of this business segment has slightly increased to RM9.5 million in current quarter from RM9.2 million in previous year corresponding quarter mainly attributable to increased contribution of RM2.3 million (RM 2.5million in current quarter compared to RM0.2 million in previous year corresponding quarter) from workover project solutions and supply of manpower and servicing parts for cranes. The increase has been offset by lower contribution by RM 2.1 million from fabrication, and overhaul and maintenance activities for cranes. The gross profit margin has also decreased to 39% from 46% in previous year corresponding quarter mainly attributable to change in composition of revenue as aforesaid where lower margin earned in workover project solution and supply of manpower and servicing parts.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B2. Review of Performance (Continued)****(ii) Pipeline Engineering Services**

This is a new revenue stream to the Group. This new business segment has contributed RM 3.2million in current quarter compared to zero in previous year corresponding quarter as the acquisition of this new business segment was taken place during current financial year.

(iii) Investment holding and other business

The contribution from investment holding and other business remained insignificant.

(b) Current Year to Date vs. Preceding Year

	Cumulative Period		Variance	
	Current Year to Date	Preceding Year		
	31 March 2020	Corresponding Period	RM' 000	%
	RM' 000	RM' 000		
Revenue	71,322	N/A	-	-
Gross Profit	20,772	N/A	-	-
Loss Before Interest and Tax	(5,149)	N/A	-	-
Loss Before Tax	(6,608)	N/A	-	-
Loss After Tax	(6,672)	N/A	-	-

The Group recorded a loss after tax of RM6.7 million for the 9-Month period ended 31 March 2020. An overall gross profit margin of 29.1% was reported in the current period. The net loss has been mitigated by a one-off gain on disposal of a subsidiary (Handal Simflexi Sdn Bhd) of RM1.9 million in preceding quarter. The total administrative and other operating expenses was approximately RM26.5 million for the period ended 31 March 2020. The performance of the respective operating business segments for period ended 31 March 2020 as compared to the preceding year is analysed as follows: -

(i) Integrated Crane Services

This business segment reported revenue of RM40.9 million for the period ended 31 March 2020 with the gross profit margin of 39.%.

(ii) Pipeline Engineering Service

This new business segment reported a revenue of RM30.5 million for the period ended 31 March 2020 with gross profit margin of 16%.

(ii) Investment Holding and Other Business

There was insignificant income generated from investment holding and other businesses.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)
B2. Material Changes in The Quarterly Results Compared to The Results of The Preceding Quarter

	Individual Quarter		Variance	
	Current Quarter Ended	Immediate Preceding		
	31 March 2020 RM' 000	Quarter Ended 31 December 2019 RM' 000	RM' 000	%
Revenue	12,742	26,252	(13,510)	-51%
Gross Profit	691	9,846	(9,155)	-93%
Profit/ (Loss) Before Interest and Tax	(9,953)	1,220	(11,173)	-916%
Profit/ (Loss) Before Tax	(10,483)	697	(11,180)	-1604%
Profit/ (Loss) After Tax	(10,547)	697	(11,244)	-1613%

The Group posted a loss after tax of RM10.5 million in the current quarter as compared to a loss after tax of RM0.7 million registered in the preceding year corresponding quarter. The Group's revenue for the reporting quarter was RM12.7 million, a decrease of 51% compared to RM26.3 million recorded in the corresponding quarter last year. The decrease in revenue was mainly attributable to (i) the northern monsoon wind seasons faced at northern and eastern coastal of Malaysia from November to March; and (ii) the outbreak of Covid-19 pandemic and the oil prices slumps since March 2020 which resulted in significant disruptions to the onshore and offshore activities in oil and gas industry. The net loss after tax posted in current quarter was mainly attributable to the aforesaid low revenue while the fixed overheads and operating costs remained constant.

B3. Prospects

In view of the current unfolding global Covid-19 pandemic, volatility of oil prices and financial market turmoil which adversely impacting economic activity, investor confidence and consumer sentiments, there will be a great deal of uncertainty over the coming months. The low oil prices have constrained the oil and gas industry we operate in as the major oil and gas exploration activities and capital expenditure have been deferred or remained prudent. Also, the enforcement of Movement Control Order by the government has resulted in disruptions to the operations as the business is operating within limited capacity for now.

In spite of the uncertainty and weakening economic outlook, the Group's current orderbook is mainly comprised short term to mid-term contracts with major oil producers for provision of recurring integrated crane services i.e. rental, overhaul and maintenance and pipeline engineering and maintenance services. These are recurring income to the Group and will continue to support the financial performance of the Group in near term. Meanwhile, the Group has been pro-actively and swiftly undertaking various radical measures such as cost optimization programme and aggressive business development strategies, to manage and sustain itself through the prevailing economic uncertainty.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B3. Prospects (Continued)**

Moreover, the Group is committed to the implementation of its 4-Year Turnaround Plan that built around three core pillars; (i) strengthening the core crane maintenance business (ii) geographic diversification of crane maintenance business and (iii) diversification of earnings base into related business in the oil & gas industry. The management have also put in place several core improvements to support the future growth and to preserve sustainable gross margins for the Group which includes improvements and efficiencies in the cost and process management, enhancing the Company's capital base as well as placing priority in the development of talent within the Group.

These measures are not only expected to bring positive impact to the Group's financial position moving forward, but also to supporting a dynamic working culture and environment in the Group in longer term.

Barring any unforeseen circumstances, the Board remains cautiously optimistic on the prospect of the Group.

B4. Profit Forecast and profit guarantee

The Group has not issued any profit forecast nor profit guarantee for the current financial period.

B5. Taxation

	Current Quarter ended 31 March 2020 RM'000	For the Period ended 31 March 2020 RM'000
Current tax	10	10
Underprovision in prior year	<u>54</u>	<u>54</u>
	<u><u>64</u></u>	<u><u>64</u></u>

B6. Status of Corporate Proposals

There was no corporate proposal announced for the current reporting quarter.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
 31 MARCH 2020**

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B7. Borrowings and Debt Securities

	As at 31 March 2020 RM'000	As at 31 June 2020 RM'000
<u>Non-current</u>		
Hire purchase liabilities	462	604
<u>Current</u>		
Bank overdrafts	14,287	11,285
Trade financing	8,959	1,091
Hire purchase liabilities	189	333
	23,435	12,708
	23,897	13,313

B8. Material Litigation

There is no other material litigation as at the date of issuance of this quarterly report.

B9. Dividends

Dividends have not been recommended for the current quarter ended 31 March 2020.

B10. Earnings/ (Loss) Per Share

	Individual Quarter		Cummulative Quarter	
	Current Quarter Ended RM'000	Preceding Year Corresponding Quarter Ended RM'000	Current Year to Date RM'000	Preceding Year to Date RM'000
Basic Earning Per Share				
Loss for the period attributable to equity holders of the company	(10,591)	(2,870)	(7,899)	N/A
Weighted average of ordinary shares in issued ("000)	218,516	159,690	218,516	N/A
Loss Per Share (Sen)	(4.85)	(1.80)	(3.61)	N/A

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B11. Trade Receivables**

The analysis of the Group's trade receivables are as follows:

	As at 31 March 2020 RM'000	As at 30 June 2019 RM'000
Neither past due nor impaired	3,803	4,484
1 to 30 days past due not impaired	998	2,689
31 to 60 days past due not impaired	917	306
61 to 90 days past due not impaired	24	1,287
More than 90 days past due not impaired	1,740	2,556
	3,679	6,839
Past due and impaired	-	-
	7,482	11,323
Less: Impairment losses	-	-
	7,482	11,323

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3.7 million (30 June 2019: RM6.8 million) that are past due at the reporting date but not impaired. These are unsecured in nature.

Subsequent to the current reporting quarter, the Group has collected RM3.4 million from these outstanding trade receivables based on the latest practical date of 13 May 2020.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT BY BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B12. Profit/ (Loss) before Taxation**

	Current Quarter Ended 31 March 2020 RM'000	Cumulative Quarters Ended 31 March 2020 RM'000
This is arrived at after crediting/ (charging):		
Interest Income	113	348
Interest expenses	530	1,459
Foreign exchange gain	128	147
Fair value changes in financial assets at fair value through profit or loss	3	65
Gain on disposal of property, plant and equipment	-	22
Gain on disposal of a subsidiary	-	1,933
Depreciation	(735)	(2,079)
Property, plant and equipment write off	(7)	(7)
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