

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 / 3 / 2020 RM ' 000	As at 31 / 3 / 2019 RM ' 000
ASSETS		
Non-current assets		
Property, plant and equipment	96,581	14,523
Right of use assets	3,084	85,077
Investment in an associate	-	17
Deferred tax assets	225	76
Intangible assets	3,996	4,272
Goodwill	12,940	12,934
	<u>116,826</u>	<u>116,899</u>
Current assets		
Inventories	49,477	83,270
Trade and other receivables	73,596	33,881
Derivative assets	225	512
Current tax assets	602	842
Cash and cash equivalents	53,613	29,965
	<u>177,513</u>	<u>148,470</u>
TOTAL ASSETS	<u>294,339</u>	<u>265,369</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	144,744	144,744
Redeemable convertible preference shares equity	2,886	2,886
Reserves	(25,805)	(24,555)
	<u>121,825</u>	<u>123,075</u>
Non-controlling interests	2,440	(2,199)
Total equity	<u>124,265</u>	<u>120,876</u>
Non-current liabilities		
Deferred tax liabilities	433	283
Trade and other payables	1,338	2,613
Borrowings	33,127	282
Leasing liabilities	2,613	59,144
Redeemable convertible preference shares liability	6,006	5,580
	<u>43,517</u>	<u>67,902</u>
Current liabilities		
Trade and other payables	55,539	31,776
Borrowings	69,296	16,168
Leasing liabilities	833	27,658
Current tax liabilities	889	989
	<u>126,557</u>	<u>76,591</u>
Total liabilities	170,074	144,493
TOTAL EQUITY AND LIABILITIES	<u>294,339</u>	<u>265,369</u>
Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)	<u>0.90</u>	<u>0.91</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2019 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD

(Company No. 199201005296/ 236800-T)

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

	Individual Quarter		Cumulative Quarters	
	31 / 3 / 2020	31 / 3 / 2019	31 / 3 / 2020	31 / 3 / 2019
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Continuing operations				
Revenue	82,211	28,019	226,646	164,706
Cost of sales	(68,850)	(23,172)	(182,719)	(132,136)
Gross profit	13,361	4,847	43,927	32,570
Other operating income	2,240	1,943	3,987	4,437
Operating expenses	(12,072)	(33,333)	(35,556)	(55,013)
Profit from operations	3,529	(26,543)	12,358	(18,006)
Lease interest expense	(485)	(816)	(2,157)	(3,621)
Finance cost	(749)	(170)	(1,822)	(1,659)
Share of results of an associate	-	(20)	(17)	2
Profit/(loss) before taxation	2,295	(27,549)	8,362	(23,284)
Taxation	(2,162)	(332)	(3,881)	(3,033)
Profit/(Loss) for the financial period from continuing operations	133	(27,881)	4,481	(26,317)
Discontinued operations				
Loss for the financial period from discontinued operations, net of tax	-	(35)	-	(479)
Profit/(Loss) for the financial period	133	(27,916)	4,481	(26,796)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	205	(261)	343	(48)
Total comprehensive (loss)/income for the financial period	338	(28,177)	4,824	(26,844)
(Loss)/Profit attributable to:-				
Equity holders of the Company	(313)	(25,057)	2,480	(24,613)
Non-controlling interests	446	(2,860)	2,001	(2,183)
	133	(27,917)	4,481	(26,796)
Total comprehensive (loss)/income attributable to:-				
Equity holders of the Company	(112)	(25,304)	2,799	(24,652)
Non-controlling interests	450	(2,874)	2,026	(2,192)
	338	(28,178)	4,824	(26,844)
Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):				
(a) Basic				
(Loss) /Profit from continuing operations	(0.23)	(18.55)	1.84	(17.89)
Loss from discontinued operations	-	(0.03)	-	(0.36)
	(0.23)	(18.58)	1.84	(18.25)
(b) Fully diluted				
	n/a	n/a	n/a	n/a

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2019 and the accompanying explanatory notes to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	←-----Attributable to equity holders of the Company----->								
	←----- Non-distributable ----->				Distributable				
	Share Capital RM ' 000	Redeemable Convertible Preference Shares RM ' 000	Capital Reserves RM ' 000	Exchange Translation Reserve RM ' 000	Treasury Shares RM ' 000	(Accumulated losses)/Retained Earnings RM ' 000	Total RM ' 000	Non- controlling Interests RM ' 000	Total Equity RM ' 000
Financial year ended 31 March 2020									
As at 1 April 2019	144,744	2,886	275	53	(1,199)	(23,684)	123,075	(2,199)	120,876
Profit for the financial year	-	-	-	-	-	2,480	2,480	2,001	4,481
Other comprehensive income, net of tax	-	-	(275)	318	-	275	318	25	343
Total comprehensive (loss)/income	-	-	(275)	318	-	2,755	2,798	2,026	4,824
Dividends to equity holders of the Company	-	-	-	-	-	(4,048)	(4,048)	-	(4,048)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(1,560)	(1,560)
Issue of shares by subsidiaries to a non-controlling interest	-	-	-	-	-	-	-	116	116
Accretion of interest in subsidiary	-	-	-	-	-	-	-	(31)	(31)
Capital contribution reserve	-	-	-	-	-	-	-	4,088	4,088
Total transactions with owners	-	-	-	-	-	(4,048)	(4,048)	2,613	(1,435)
As at 31 March 2020	144,744	2,886	-	371	(1,199)	(24,977)	121,825	2,440	124,265
Financial year ended 31 March 2019									
As at 1 April 2018	144,744	409	275	92	(1,199)	7,000	151,321	13,724	165,045
Profit for the financial year	-	-	-	-	-	(24,613)	(24,613)	(2,183)	(26,796)
Other comprehensive loss, net of tax	-	-	-	(39)	-	-	(39)	(9)	(48)
Total comprehensive loss	-	-	-	(39)	-	(24,613)	(24,652)	(2,192)	(26,844)
Dividends to equity holders of the Company	-	-	-	-	-	(6,071)	(6,071)	-	(6,071)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(11,577)	(11,577)
Disposal of a subsidiary	-	-	-	-	-	-	-	(2,707)	(2,707)
Issue of shares by subsidiaries to a non-controlling interest	-	-	-	-	-	-	-	553	553
Issuance of redeemable convertible preference shares	-	2,477	-	-	-	-	2,477	-	2,477
Total transactions with owners	-	2,477	-	-	-	(6,071)	(3,594)	(13,731)	(17,325)
As at 31 March 2019	144,744	2,886	275	53	(1,199)	(23,684)	123,075	(2,199)	120,876

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 2019 and the accompanying explanatory notes to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarters ended	
	31 / 3 / 2020	31 / 3 / 2019
	RM ' 000	RM ' 000
Cash flows from operating activities		
Profit/(Loss) before taxation		
- continuing operations	8,362	(23,284)
- discontinued operations	-	(479)
Adjustments for non-cash items:		
Net provision for impairment loss on receivables	1,921	16,608
Inventories written down	-	9,276
Depreciation of property, plant and equipment	1,308	1,117
Depreciation of right of use assets	22,547	26,429
Amortisation of intangible assets	276	193
Fair value loss/(gain) on derivatives	287	(401)
Loss on disposal of subsidiaries	-	338
Loss on disposal of property, plant and equipment	-	49
Gain on dilution of non-controlling interest in subsidiaries	(10)	-
Unrealised loss on foreign exchange	360	657
Unwinding of redeemable convertible preference shares discount	-	316
Fair value changes on contingent consideration	(119)	-
Share of results of an associate	17	(16)
Lease interest expense	2,157	3,621
Interest expense	1,822	1,736
Interest income	(1,175)	(914)
Operating profit before changes in working capital	37,753	35,246
Changes in working capital	13,774	(17,291)
Tax paid	(3,206)	(3,399)
Net cash generated from operating activities	48,321	14,556
Cash flows from investing activities		
Interest received	1,175	914
Placement of pledged deposits	(3,710)	(648)
Proceeds from disposal of property, plant and equipment	-	261
Proceeds from disposal of investment properties	-	85,015
Net outflows on disposal of a subsidiary	-	(2,311)
Acquisition of:		
- right of use assets	(32)	(23)
- property, plant and equipment	(83,466)	(10,335)
- subsidiaries, net of cash	(98)	(3,923)
Net cash (used in)/generated from investing activities	(86,131)	68,950
Cash flows from financing activities		
Interest paid	(1,396)	(1,736)
Dividends paid to:		
- equity holders of the Company	(4,048)	(6,071)
- non-controlling interests	(1,560)	(11,577)
Issuance of redeemable convertible preference shares	-	7,038
Drawdown of other borrowings	128,774	9,778
Repayment of:		
- term loans	(17,027)	(16,716)
- other borrowings	(20,650)	(34,293)
- hire purchase and lease creditors	(242)	(484)
Repayment of lease liabilities MFRS16	(25,187)	(28,564)
Net cash generated from/(used in) financing activities	58,664	(82,625)
Net increase in cash and cash equivalents	20,855	881
Cash and cash equivalents at beginning of financial year	22,836	21,970
Effect of foreign currency exchange rate changes	(234)	(15)
Cash and cash equivalents at end of financial year	43,457	22,836
Cash and cash equivalents comprise:-		
Cash and bank balances	53,613	29,965
Less: Bank overdrafts	-	(683)
Fixed deposits pledged to licensed banks	(10,156)	(6,446)
	43,457	22,836

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 2019 and the accompanying explanatory notes to the interim financial statements.

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

1 Basis of preparation

The interim financial report are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and Paragraph 9.22 of the Bursa Malaysia Securities Berhad 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 2019.

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 2019, 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 2019:

Title:	Effective Date for the financial period commencing on or after:
IC Interpretation 23 <i>Uncertainty Over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

The standards and amendments that are issued but not yet effective for the adoption by the Group in the current financial year are disclosed below:

Title:	Effective Date for the financial period commencing on or after:
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Business Combinations - Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 <i>Presentation of Financial Statements - Definition of Material</i>	1 January 2020
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Financial Instruments - Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
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 does not expect any material changes to the financial statements of the Group when the above standards and amendments become effective.

3 Qualification of auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2019 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 year under review.

5 Unusual items due to their nature, size and incidence

There were no items during the financial year 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 year 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 year under review.

8 Dividends paid to equity holders of the Company

The Company paid interim single tier dividend of 3.0 sen per share of RM4.05 million during current financial year on 17 May 2019 (Note 30).

9 Revenue

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

	Cumulative Quarters	
	31 / 3 / 2020	31 / 3 / 2019
	RM'000	RM'000
Products and services:		
Sale of completed properties	51,962	2,891
Sale of goods	116,251	101,929
Contract revenue	-	3,260
Leasing	33,970	31,648
Services rendered:		
- logistics	-	1,266
- energy	24,463	23,712
	<u>226,646</u>	<u>164,706</u>
Timing of revenue recognition:		
Transferred at a point in time	168,214	107,725
Transferred over time	58,432	56,981
	<u>226,646</u>	<u>164,706</u>

10 Segmental information

	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Consolidated RM'000
Financial year ended 31 March 2020				
Results from continuing operations:				
Revenue				
- External	51,962	174,684	-	226,646
Results				
Operating (loss)/profit	(33)	21,543	(10,344)	11,166
Interest income				1,175
Lease interest expense				(2,157)
Finance costs				(1,822)
Tax expense				(3,881)
Profit for the financial year from continuing operations				<u>4,481</u>
Results from discontinued operations				
Profit for the financial year from discontinued operations, net of tax				-
Profit for the financial year				<u>4,481</u>
Earnings before interest, tax, depreciation and amortisation	102	45,664	(9,292)	<u>36,474</u>

ENRA GROUP BERHAD

(Company No. 199201005296/ 236800-T)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2020

	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Consolidated RM'000
Financial year ended 31 March 2019				
Results from continuing operations				
Revenue				
- External	2,891	161,815	-	164,706
Results				
Operating (loss)/profit	(8,365)	2,438	(12,977)	(18,904)
Interest income				900
Lease interest expense				(3,621)
Finance costs				(1,659)
Tax expense				(3,033)
Profit for the financial year from continuing operations				<u>(26,317)</u>
Results from discontinued operations				
Loss for the financial year from discontinued operations, net of tax				<u>(479)</u>
Profit for the financial year				<u>(26,796)</u>
Earnings before interest, tax, depreciation and amortisation	<u>(8,202)</u>	<u>29,519</u>	<u>(11,616)</u>	<u>9,701</u>

The results from discontinued operations above relates to investment properties business in respect of Holiday Plaza and Shamelin Business Centre that has been classified as non-current assets held for sale. There is no more contribution from discontinued operations since 30 June 2018.

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

11 Changes in the composition of the Group

(a) Acquisition/Incorporation of subsidiaries and subscription of shares in subsidiaries

- (i) On 31 May 2019, ENRA Land Sdn. Bhd. ("ELAND"), a wholly-owned direct subsidiary of the Company has entered into a Shareholders' Agreement with IBGH Capital Sdn. Bhd. ("IBGHC") to collaborate in the business of property development in Malaysia via Q Homes Sdn. Bhd. ("Q Homes"). Q Homes was incorporated in Malaysia on 28 February 2019 as a private limited liabilities company. The principal activities of Q Homes and its subsidiaries ("Q Homes Group") include construction of buildings and real estate activities. Q Homes owns a 100% equity stake in Merpati TPG Sdn. Bhd.

On 20 June 2019, ELAND has subscribed for a 51% equity stake in Q Homes for a total cash consideration of RM127,500.

The effects on the financial position of the Group arising from the acquisition of subsidiaries are as follows:

	31 / 3 / 2020 RM'000
Assets/(Liabilities) acquired:	
Property, plant and equipment	6
Property development cost	231
Trade and other receivables	124
Cash and bank balances	50
Trade and other payables	(174)
Total identifiable net assets	<u>237</u>
Goodwill on consolidation	6
Non-controlling interests	<u>(116)</u>
Purchase consideration satisfied by cash	127
Cash and cash equivalents acquired	<u>(50)</u>
Cash outflow on acquisition of subsidiaries	<u>77</u>

- (ii) On 3 September 2019, the Company undertaken an internal restructuring exercise involving 3 transfers of its entire shareholding of 500,000 ordinary shares in Orlando Manufacturing Sdn Bhd ("OMSB") and 200,000 ordinary shares in Tenderly Marketing Sdn Bhd ("TMSB") and ELAND's entire shareholding of 2 ordinary shares in Prominent Archway Sdn Bhd ("PASB") to Q Homes at a total cash consideration of RM4.00 and RM2.00 respectively.
- Subsequently, the Group change the names of these two companies from OMSB to DV Homes Sdn Bhd ("DVHSB") and from TMSB to Makmur Homes Sdn Bhd ("MHSB").
- (iii) On 31 Jan 2020, the Company has transferred 100% of its 100,000 shares in Enra Power Systems Sdn Bhd ("EPS") from Enra Energy Sdn Bhd ("EESB") to its wholly owned indirect subsidiary, Enra Kimia Sdn Bhd ("EKS") for a total cash consideration of RM100,000.
- (iv) On 28 Feb 2020, Enra Oil & Gas Services Sdn Bhd ("EOGS"), a wholly owned indirect subsidiary of the Company has entered into a Deed of Termination with Icon Oilfield Solutions Sdn Bhd (ICON) to mutually rescind and terminate a Shareholders Agreement on ENRA ICON Sdn Bhd ("EICON"). As part of the termination deal, EOGS has made full payment of RM20,600 for a total cash purchase of 30,000 ordinary shares, equivalent to 30% equity interest in EICON. This acquisition EICON becoming a wholly owned direct subsidiary to EOGS.

The Internal Reorganisation in 11(ii), 11(iii) and 11(iv) will not have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of ENRA Group for the financial year ended 31 March 2020.

12 Significant events during the year

(a) Development on claim against a customer on contract on value of work done

On 11 June 2018, ENRA Engineering And Fabrication Sdn. Bhd. ("EEFAB"), a wholly-owned indirect subsidiary of the Company served an Adjudication Claim against Gemula Sdn. Bhd. ("Gemula") in accordance with Section 9 of Construction Industry Payment and Adjudication Act 2012 ("CIPAA") for a total amount of RM10,574,663 ("CIPAA Payment Claim").

Gemula appointed EEFAB as a subcontractor for the project known as "Pembinaan Garaj Utama Kenderaan 8 x 8 Dan Kenderaan Pasukan Serta Infrastruktur Di Kem Batu Sepuluh (10) Kuantan, Pahang" ("the Project"). Gemula subcontracted the following works for the Project to EEFAB by way of these respective documents:

- (i) Letter of Award dated 15 January 2016 ("LOA 1") whereby Gemula appointed EEFAB to undertake the '*Struktur Besi*' works for the Project; and
- (ii) Letter of Award dated 9 May 2016 ("LOA 2") whereby Gemula appointed EEFAB to undertake the scope described as "*membekal bahan binaan dan menyiapkan segala kerja berbaki*" for the Project.

The CIPAA Payment Claim is in relation to outstanding amounts due and payable by Gemula for works completed pursuant to LOA 1 and LOA 2 including additional/variation works ancillary to the said subcontracts.

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

- (i) Gemula shall pay EEFAB the total outstanding sum of RM10.22 million;
- (ii) Gemula shall pay EEFAB interest at the rate of 5% per annum on each invoice claimed by EEFAB from its respective due date for payment until full and final settlement; and
- (iii) Gemula shall pay the total costs of adjudication in the amount of RM132,594.

(collectively "Adjudication Decision").

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

On 1 November 2018, a sealed Originating Summons was served on EEFAB by Gemula to set aside the Adjudication Decision on the grounds that the Adjudicator had acted in excess of his jurisdiction and had not acted impartially.

On 8 January 2019, the High Court held:

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

ENRA GROUP BERHAD**(Company No. 199201005296/ 236800-T)****NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

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

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

On 4 March 2019, EEFAB, through its solicitors, served Notice of Demand to Gemula demanding payment of the sum totalling RM10.38 million. Subsequently, on 27 March 2019, EEFAB, through its solicitors, filed a winding up petition at the High Court against Gemula as they had failed to pay the sum owing set out in the Notice of Demand after the expiration of 21 days from the date of the service of the said Notice of Demand ("Winding Up Petition").

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

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

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

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

In short, the written orders of the High Court for the enforcement of the Adjudication Decision is in favour of EEFAB and the winding up of Gemula has been obtained and remains valid.

b) Acquisition of a vessel ("Ratu Enra")

On 8 January 2020, Enra SPM Labuan Ltd. ("ESPML") a wholly-owned direct subsidiary of Enra SPM Sdn Bhd ("ESPM"), in which the Group holds a 60% stake, while SPM Terminals Pty Ltd ("SPMT") hold the balance 40%, has completed the purchase of a tanker known as Maersk Edgar in accordance to Memorandum of Agreement (MOA) signed by ESPML with Maersk Product Tankers A/S, a Copenhagen based company, on 7 Oct 2019.

This vessel that is a double hull oil and chemical tanker with a net tonnage of 10,216 tonnes was acquired for US\$9.3 million or RM38.87 million and an additional modification works awarded for a total contract value of USD1.82 million or RM7.59 million are financed via a combination of internally-generated funds and external borrowings.

The acquisition is not expected to have any material effect on the earnings of the Group for the financial year ended 31 March 2020. ESPML has completed the registration of the vessel with the Marine Department in Port Klang under the name Ratu Enra. Ratu Enra was successfully hooked up and commissioned on 23 May 2020.

c) Acquisition of Single Point Mooring Buoy System ("Buoy")

On 18 Feb 2020, Enra SPM Labuan Ltd. ("ESPML"), has entered into an agreement to purchase a CALM Buoy Banner HEX 06 together with ancillary equipment (collectively "Buoy") from SPMT and has completed the payments for a total consideration of USD3.5 million via a combination of internally generated funds and external borrowings. This Buoy will be deployed together with Ratu Enra for an existing offshore contract with a client until 26 April 2022.

13 Significant related party transactions

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

	Cumulative Quarters	
	31 / 3 / 2020	31 / 3 / 2019
	RM'000	RM'000
i) Purchase of goods and services from a non-controlling interest of subsidiary	(1,029)	(882)
ii) Commission fee paid to a company owned by a director of subsidiary	(36)	-
iii) Leasing of an equipment from a non-controlling interest of subsidiaries	(2,754)	-
iv) Provision of operation and maintenance (O&M) services from a non-controlling interest of subsidiaries	(5,142)	-
v) Vessel modification works paid to a non-controlling interest of subsidiaries	(7,832)	-
vi) Purchased of an equipment from a non-controlling interest of subsidiaries	(15,059)	-
vii) Project management fee from a non-controlling interest of subsidiaries	(660)	-
viii) Interest charges on advances from a non-controlling interest of subsidiaries	(829)	-

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 2019 other than 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 financial year ended 31 March 2020 is as follows:

	As at 31 / 3 / 2020	As at 31 / 3 / 2019
	RM'000	RM'000
Approved and contracted for		
- Purchase of property, plant and equipment	3,522	7,350

16 Review of performance

For the financial year under review, the Group's business activities from continuing operations were split into 3 segments:

- (a) The Group's property development division comprises projects in Malaysia and abroad.
- (b) 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 energy sector.
- (c) The Group's investment holdings comprise 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.

Quarter	Revenue (continuing operations)			Consolidated
	Property development	Energy services	Investment holdings and others	
	RM'000	RM'000	RM'000	
FY19/20:				
Quarter 1	19,040	32,429	-	51,469
Quarter 2	13,625	28,460	-	42,085
Quarter 3	9,300	41,581	-	50,881
Quarter 4	9,997	72,214	-	82,211
Full financial year	51,962	174,684	-	226,646

FY18/19:				
Quarter 1	-	66,847	-	66,847
Quarter 2	-	36,162	-	36,162
Quarter 3	2,891	30,787	-	33,678
Quarter 4	-	28,019	-	28,019
Full financial year	2,891	161,815	-	164,706

Quarter	Profit/(loss) before taxation (continuing operations)			Consolidated
	Property development	Energy services	Investment holdings and others	
	RM'000	RM'000	RM'000	
FY19/20:				
Quarter 1	(16)	3,578	(2,835)	727
Quarter 2	94	3,623	(1,698)	2,019
Quarter 3	106	5,410	(2,195)	3,321
Quarter 4	(764)	6,403	(3,345)	2,294
Full financial year	(580)	19,014	(10,073)	8,362

FY18/19:				
Quarter 1	1,522	8,196	(4,676)	5,042
Quarter 2	(165)	3,190	(3,395)	(370)
Quarter 3	(45)	4,176	(4,537)	(406)
Quarter 4	(9,905)	(17,465)	(180)	(27,550)
Full financial year	(8,593)	(1,903)	(12,788)	(23,284)

Q4 FY19/20 v Q4 FY18/19

For the individual quarter ended 31 March 2020 ("Q4 FY19/20"), the Group revenue increased by RM54.19 million due to higher contribution from Energy Services division and Property Development division. The profit before taxation ("PBT") from continuing operations was RM2.29 million as compared to Q4 FY18/19 loss before taxation ("LBT") of RM27.55million. The LBT for the last financial year was due to exceptional items - RM9.28 million inventories written down and additional impairment loss on trade receivables of RM15.26 million.

The revenue of Property Development division of RM10 million in the current quarter is owing to the sales of last unit of Portland Chambers's flat in London and 1 unit Shamelin Star condominium in Cheras, Kuala Lumpur. There was no sales in Q4 FY18/19. The Property Development division recorded a lower LBT of RM0.76 million as compared to LBT of RM9.91 million in the same quarter last year that included the inventories written down of RM9.28 million.

Meanwhile, the Energy Services division recorded a PBT of RM6.40 million in the last quarter of FY19/20 as compared to loss of RM17.47 million (with impairment loss on trade receivables of RM15.26 million) in the same quarter in previous year. Disregard the exceptional item, the increased in profitability in Q4FY20 was mainly from increased in revenue recorded by the chemical business together with reduction in operational cost.

FY19/20 v FY18/19

Revenue for FY19/20 increased by RM61.94 million from RM164.71 million in FY18/19, mainly from Property Development division sales of all 4 flats in London worth of RM48.43 million and slightly higher contribution from Energy Services division by 8%.

The Group's PBT turnaround by RM31.65 million as compared to the same period in previous financial year was mainly due to the exceptional items recorded in the previous year apart from the higher revenue and lower operational costs from Energy Services division.

17 Material change in profit/(loss) before taxation for continuing operations compared to the immediate preceding quarter

Q4 FY19/20 v Q3 FY19/20

For the financial quarter under review, the Group's continuing operations recorded a higher revenue by RM31.33 million from RM50.88 million in Q3FY19/20 to RM82.21million, mainly due to higher delivery of the chemical products as required by customers. Despite the increase in revenue, PBT is recorded lower at RM2.29 million as compared to RM3.32 million in the immediate preceding quarter, after offsetting administration cost and impairment loss on receivables in last quarter.

18 Future prospects

The prospects of the Group's business segments for financial year ending 31 March 2021 ("FY20/21") are as follows:

(a) Property Development

The Division will remain agile and proactive with its strategy in responding to Covid 19's impact on property market, including the future demand for affordable landed properties. It will continue to improve its operational effectiveness with a lean team to grow the Q Homes brand in Malaysia, starting with several projects in the immediate pipeline. The Division will also continue with its lifestyle retirement homes development in Rugby, the United Kingdom, where the demand for care homes is growing due to the Britain's ageing population.

(b) Energy Services

For the Energy Services Division, the business continuity of customers is key, with priority in effective cost management in capital and operating expenditures, especially if the oil price stays at depressed level over extended period around USD25-35 per barrel. Despite the challenges, the Division is expecting a satisfactory result in FY20/21, especially with the advantage of having its own tanker, Ratu Enra and Single Point Mooring system for ongoing contract and its continued focus on its core competencies to offer overall cost-efficient solutions for its increasingly cost sensitive customers.

With the above plan and the continuous focus on operational and cost management initiatives in view of the challenging global economic environment, the Group expects the financial performance for FY20/21 to be satisfactory.

19 Profit forecast

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

20 Profit for the financial year for continuing operations

	Cumulative Quarters	
	31 / 3 / 2020	31 / 3 / 2019
	RM'000	RM'000
Profit before taxation for continuing operations is arrived at after (crediting) / charging		
Interest income	(1,175)	(914)
Interest expense	1,822	1,659
Lease interest expense	2,157	3,621
Other income including investment income	(2,741)	(1,745)
Fair value changes on contingent consideration	(119)	-
Depreciation of property, plant and equipment	1,308	1,117
Depreciation of right of use assets	22,547	26,429
Amortisation of intangible assets	276	193
Fair value loss/(gain) on derivatives	287	(401)
Loss on disposal of subsidiaries	-	338
Loss on disposal of property, plant and equipment	-	49
Net provision for impairment loss on receivables	1,921	16,608
Writedown of inventories	-	9,276
Unrealised loss on foreign exchange	360	657
Realised (gain)/ loss from foreign exchange	(587)	372

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

21 Income tax expense

	Individual Quarter		Cumulative Quarter	
	31 / 3 / 2020	31 / 3 / 2019	31 / 3 / 2020	31 / 3 / 2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	1,736	336	2,915	3,120
- under/(over) provision for prior year	56	(131)	58	(452)
- deferred taxation	149	99	149	78
	1,941	304	3,122	2,746
Australian income tax :-				
- current taxation	221	28	759	287
	2,162	332	3,881	3,033

The Group's effective tax rate, it remains higher than the statutory tax rate as certain expenses are not allowable for tax deductions, some companies registered loss before taxation and some foreign companies are taxed of a higher tax rate.

22 Status of corporate proposals announced but not completed as at 18 June 2020

There were no corporate proposal announced but not yet completed as at 18 June 2020.

23 Goodwill

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

	As at
	31 / 3 / 2020
	RM'000
75% of ENRA Engineering And Fabrication Sd. Bhd. ("EEFAB")	8,505
100% of International Chemicals Engineering Pty. Ltd. ("ICE")	4,004
51% of ENRA IOL Sdn. Bhd. ("EIOL")	401
51% of Abode Senior Living Limited ("ASLL")	24
51% of Q Homes Sdn. Bhd. ("Q Homes")	6
	12,940

Q Homes is the new subsidiary acquired during the year in Note 11(a).

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 year.

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	
	As at 31 March 2020:						
Secured							
Term loans	10,091	20,205	-	33,018	10,091	53,223	63,314
Hire-purchase and lease creditors	-	172	-	109	-	281	281
Trade facilities	-	38,828	-	-	-	38,828	38,828
	<u>10,091</u>	<u>59,205</u>	<u>-</u>	<u>33,127</u>	<u>10,091</u>	<u>92,332</u>	<u>102,423</u>
As at 31 March 2019:							
Secured							
Bank overdrafts	-	683	-	-	-	683	683
Term loans	9,778	-	-	-	9,778	-	9,778
Hire-purchase and lease creditors	-	240	-	282	-	522	522
Trade facilities	-	5,467	-	-	-	5,467	5,467
	<u>9,778</u>	<u>6,390</u>	<u>-</u>	<u>282</u>	<u>9,778</u>	<u>6,672</u>	<u>16,450</u>

The increase in bank borrowings is mainly due to net drawdown of term loans and higher utilisation of trade facilities.

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 March 2020 are as follows:

	Currency	Nominal value '000	Fair value gain RM'000
As at 31 March 2020:			
Forward currency selling contracts less than 1 year:	GBP	1,867	(324)
Forward currency selling contracts less than 1 year:	EURO	336	34
Forward currency selling contracts less than 1 year:	USD	39	3
Net fair value loss			<u><u>(287)</u></u>
As at 31 March 2019:			
Forward currency selling contracts less than 1 year:	GBP	5,594	401
Net fair value gain			<u><u>401</u></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.

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(a).

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 year, excluding any treasury shares held by the Company.

	Quarter Ended		Cumulative Quarter Ended	
	31 / 3 / 2020	31 / 3 / 2019	31 / 3 / 2020	31 / 3 / 2019
Profit/(Loss) attributable to equity holders of the Company (RM'000)				
- continuing operations	(313)	(25,022)	2,480	(24,134)
- discontinued operations	-	(35)	-	(479)
	<u>(313)</u>	<u>(25,057)</u>	<u>2,480</u>	<u>(24,613)</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>
Basic earnings per share (sen) :				
- continuing operations	(0.23)	(18.55)	1.84	(17.89)
- discontinued operations	-	(0.03)	-	(0.36)
	<u>(0.23)</u>	<u>(18.58)</u>	<u>1.84</u>	<u>(18.25)</u>

There are no diluted earnings per share as the Company does not have any potential dilutive ordinary shares outstanding as at 31 March 2020.

29 Status of utilisation of proceeds raised from corporate proposal

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

30 Dividends

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

By Order of the Board
ENRA Group Berhad