

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30 / 06 / 2022 RM ' 000	As at 31 / 03 / 2022 RM ' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	67,037	65,381
Right of use assets	9,010	9,110
Goodwill on acquisitions	400	400
Contract cost assets	276	276
	<u>76,723</u>	<u>75,167</u>
<b>Current assets</b>		
Inventories	67,032	72,072
Trade and other receivables	12,338	18,629
Contract assets	360	1,046
Current tax assets	126	124
Cash and bank balances and short term funds	19,688	20,287
	<u>99,544</u>	<u>112,158</u>
<b>TOTAL ASSETS</b>	<b><u>176,267</u></b>	<b><u>187,325</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	1,493	532
Reserves	(40,034)	(35,656)
	<u>107,890</u>	<u>111,307</u>
<b>Non-controlling interests</b>	12,467	2,087
<b>Total equity</b>	<u>120,357</u>	<u>113,394</u>
<b>Non-current liabilities</b>		
Trade and other payables	22,827	22,833
Lease liabilities	1,525	1,495
Redeemable convertible preference shares liability	7,086	6,959
	<u>31,438</u>	<u>31,287</u>
<b>Current liabilities</b>		
Trade and other payables	22,977	37,244
Contract Liability	592	962
Borrowings	370	3,877
Lease liabilities	43	125
Current tax liabilities	490	436
	<u>24,472</u>	<u>42,644</u>
<b>Total liabilities</b>	55,910	73,931
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>176,267</u></b>	<b><u>187,325</u></b>
<b>Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)</b>	<b><u>0.80</u></b>	<b><u>0.82</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 2022 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2022**

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

	Individual Quarter		Cumulative Quarters	
	30 / 06 / 2022	30 / 6 / 2021	30 / 06 / 2022	30 / 6 / 2021
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue	9,609	14,268	9,609	14,268
Cost of sales	(10,778)	(8,048)	(10,778)	(8,048)
Gross profit	(1,169)	6,220	(1,169)	6,220
Other operating income	109	56	109	56
Operating expenses	(3,563)	(3,401)	(3,563)	(3,401)
(Loss)/ Profit from operations	(4,623)	2,875	(4,623)	2,875
Lease interest expense	(32)	(35)	(32)	(35)
Finance cost	(157)	(611)	(157)	(611)
(Loss)/ Profit before taxation	(4,812)	2,229	(4,812)	2,229
Taxation	(124)	(142)	(124)	(142)
(Loss)/ Profit after taxation	(4,936)	2,087	(4,936)	2,087
<b>Discontinued operations</b>				
Profit for the financial period from discontinued operations, net of tax	-	95	-	95
(Loss)/ Profit for the financial period	(4,936)	2,182	(4,936)	2,182
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	2,268	(39)	2,268	(39)
<b>Total comprehensive (loss)/ income for the financial period</b>	<b>(2,668)</b>	<b>2,143</b>	<b>(2,668)</b>	<b>2,143</b>
(Loss)/ Profit/ attributable to:-				
Equity holders of the Company	(4,378)	702	(4,378)	702
Non-controlling interests	(558)	1,479	(558)	1,479
	(4,936)	2,181	(4,936)	2,181
Total comprehensive income/(loss) attributable to:-				
Equity holders of the Company	(3,417)	675	(3,417)	675
Non-controlling interests	749	1,468	749	1,468
	(2,668)	2,143	(2,668)	2,143
<b>Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):</b>				
(a) Basic				
(Loss)/ Profit from continuing operations	(3.24)	0.45	(3.24)	0.45
Profit from discontinued operations	-	0.07	-	0.07
(b) Fully diluted				
(Loss)/ Profit from continuing operations	(2.43)	0.34	(2.43)	0.34
Profit from discontinued operations	-	0.05	-	0.05

*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 2022 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
(Company No. 199201005296/ 236800-T)  
**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2022**

**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	Exchange Translation Reserve RM ' 000	Treasury Shares RM ' 000	Accumulated Losses RM ' 000	Total RM ' 000	Non- controlling Interests RM ' 000	Total Equity RM ' 000
<b>Financial year ended 31 March 2023</b>								
As at 1 April 2022	144,744	2,886	532	(1,199)	(35,656)	111,307	2,087	113,394
Profit for the financial year	-	-	-	-	(4,378)	(4,378)	(558)	(4,936)
Other comprehensive (loss)/income, net of tax	-	-	961	-	-	961	1,307	2,268
<b>Total comprehensive (loss)/income</b>	-	-	961	-	(4,378)	(3,417)	749	(2,668)
Issue of shares by subsidiaries to a non-controlling interest	-	-	-	-	-	-	30	30
Issuance capital contribution reserve to a non-controlling interest	-	-	-	-	-	-	10,146	10,146
Repayment of capital contribution to non-controlling interest	-	-	-	-	-	-	(545)	(545)
<b>Total transactions with owners</b>	-	-	-	-	-	-	9,631	9,631
As at 30 June 2022	144,744	2,886	1,493	(1,199)	(40,034)	107,890	12,467	120,357
<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
Loss for the financial year	-	-	-	-	702	702	1,479	2,181
Other comprehensive loss, net of tax	-	-	(27)	-	-	(27)	(12)	(38)
<b>Total comprehensive income/(loss)</b>	-	-	(27)	-	702	675	1,468	2,143
As at 30 June 2021	144,744	2,886	789	(1,199)	(32,289)	114,931	5,433	120,364

*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 2022 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2022**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarters ended</b>	
	<b>30 / 06 / 2022</b>	<b>30 / 6 / 2021</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation		
Continuing operation	(4,812)	2,229
Discontinued operation	-	203
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,448	1,951
Depreciation of right of use assets	99	262
Amortisation of intangible assets	-	76
Fair value loss on derivatives	-	229
Loss on disposal of property, plant and equipment	-	74
Fair value changes on contingent consideration	-	(161)
Unrealised loss on foreign exchange	(88)	3
Interest expense:		
- Unwinding of redeemable convertible preference shares discount	127	118
- Unwinding of lease interest	32	38
- Borrowings	30	611
Interest income	(33)	(60)
Operating profit before changes in working capital	(3,197)	5,573
Changes in working capital	6,421	(12,426)
Net tax paid	87	(43)
<b>Net cash (used in)/ from operating activities</b>	<b>3,311</b>	<b>(6,897)</b>
<b>Cash flows from investing activities</b>		
Interest received	33	60
(Placement)/ Uplift of pledged deposits	831	(1,181)
Proceeds from disposal of property, plant and equipment	-	5
Acquisition of property, plant and equipment	-	(1,131)
<b>Net cash from/(used in) investing activities</b>	<b>864</b>	<b>(2,248)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(62)	(611)
Capital contribution from NCI	(545)	-
Net (repayment)/drawdown of borrowing	(3,507)	(3,924)
Repayment of lease liabilities	-	(309)
<b>Net cash used in financing activities</b>	<b>(4,114)</b>	<b>(4,844)</b>
Net decrease in cash and cash equivalents	61	(13,987)
Cash and cash equivalents at beginning of financial period	16,052	30,510
Effect of foreign currency exchange rate changes	170	(26)
Cash and cash equivalents at end of financial period		
Continuing operations	16,283	8,115
Discontinued operations	-	8,383
Cash and cash equivalents comprise:-		
<b>Continuing operations</b>		
Cash and bank balances	19,688	22,951
Less: Bank overdrafts	-	(1,710)
Deposits pledged to licensed banks	(3,405)	(4,743)
	<b>16,283</b>	<b>16,498</b>

*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 2022 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 2022.

**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 2022, 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 2022:

<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 (early adopted)

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>
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
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative information	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 2022 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 19.

## 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 19.

## 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 26.

### 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 30 June 2022, 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.

On 1 June 2022, ENRA made an offer of 6,100,000 ESOS Option under the ESS ("1st Award") to the eligible directors and employees of ENRA and its subsidiaries of which 3,200,000 Options were allocated to the Board of ENRA. Subsequently, the offers were accepted by the respective directors and employees on 28 June 2022. As at 30 June 2022, none of the ESOS Option under the 1st Award have been accepted yet and, as such, no option or share grant has been awarded to any person pursuant to the ESS.

## 8 Dividends paid to equity holders of the Company

There was no dividend paid during the current quarter ended 30 June 2022.

## 9 Revenue

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

	Discontinued Operations Cumulative Quarters		Continuing Operations Cumulative Quarters	
	30 / 06 / 2022	30 / 6 / 2021	30 / 06 / 2022	30 / 6 / 2021
	RM'000	RM'000	RM'000	RM'000
<b>Products and services:</b>				
Sale of properties	-	-	5,016	392
Sale of trading goods	-	7,725	15	331
Leasing	-	-	3,111	8,398
Services rendered	-	242	1,467	5,147
	-	7,967	9,609	14,268
<b>Timing of revenue recognition:</b>				
At a point in time	-	7,725	4,500	331
Over time	-	242	5,109	13,937
	-	7,967	9,609	14,268

## 10 Segmental information

	Continuing Operations				Discontinued Operations RM'000	Consolidated RM'000
	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Total RM'000		
<b>Financial period ended 30 June 2022</b>						
<b>Revenue</b>						
- External	5,016	4,574	19	9,609	-	9,609
<b>Results</b>						
Operating (loss)/profit	116	(3,066)	(1,707)	(4,657)	-	(4,657)
Interest income				33	-	33
Lease interest expense				(32)	-	(32)
Finance cost				(157)	-	(157)
Tax expense				(123)	-	(123)
Profit for the financial year				(4,936)	-	(4,936)
Earning before interest, tax, depreciation and amortisation	167	(1,597)	(1,679)	(3,109)	-	(3,109)

	Continuing Operations				Discontinued Operations RM'000	Consolidated RM'000
	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	Total RM'000		
<b>Financial period ended 30 June 2021</b>						
<b>Revenue</b>						
- External	392	13,876	-	14,268	7,967	22,235
<b>Results</b>						
Operating profit/(loss)	(281)	5,057	(1,961)	2,815	314	3,129
Interest income				60	149	209
Lease interest expense				(35)	(3)	(38)
Finance cost				(612)	(258)	(870)
Tax expense				(142)	(107)	(249)
Loss for the financial year				2,086	95	2,181
Earning before interest, tax, depreciation and amortisation	(234)	6,830	(1,908)	4,688	744	5,432

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/the Company") 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 and Proposed Collaboration.

On 30 June 2022, ENRA has made another announcement that the Company and MSM have mutually agreed to terminate negotiations on the Proposed Acquisition and Proposed Lease.

Meanwhile, the Proposed Collaboration has resulted in ENRA and MSM successfully winning and completing new projects. ENRA and MSM will be extending this relationship further with a setting up of MSMENRA Sdn Bhd (70%-owned by ENRA Energy Solution Sdn Bhd, a subsidiary of ENRA and 30%-owned by MSM) to pursue new projects and contracts in MRO services across various industries.

- (b) Proposed diversification of the existing core businesses of ENRA and its Group of Companies to include the Maintenance, Repair and Overhaul ("MRO") business ("Proposed Diversification")

On 16 August 2022, ENRA has made an announcement on its intention to undertake the Proposed Diversification.

MRO services serve a wide range of end user such as the Oil and Gas ("O&G"), marine, agriculture, industrial and other relevant and applicable industries. Currently, the Group provides MRO services to their O&G customers to, amongst others, maintain and preserve diesel engines and generators (including their ancillary equipment). Therefore, ENRA intend to expand its current range of MRO services and serve a wider range of industries, in addition to the O&G industry. Further, the new MRO services are also expected to include the provision of manpower to its existing and potential customers to undertake their respective MRO projects and /or contracts.

Premised on the above, the management of ENRA believes that the growth and expansion of the Group's current MRO services and the MSM Collaboration may contribute 25% or more of the net profits of the Group and/or result in the diversion of 25% or more of the net assets ("NA") of the Group towards MRO services moving forward. In this regard, ENRA's Board proposes to seek the approval from shareholders of ENRA for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Main Market Listing Requirement at the extraordinary general meeting ("EGM") to be convened.

## 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 ("BIMCO 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 BIMCO 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.

A settlement agreement dated 10 August 2022, was entered into between PT CMS, ESPML, ESPM, Sea Trust Marine Pte. Ltd., PT Adidaya Energi Mandiri ("AEM") and SPM Terminals. Under the terms of settlement, ESPML has agreed to pay the sum of USD3.2 million to PT CMS and USD0.15 million to AEM in full and final settlement of any and all the various disputes between the parties with such settlement being without any admission of liability to any of the respective claims as against each other ("ESFML Settlement Agreement dated 10 August 2022").

Upon payment of the settlement sum, PT CMS and ESPML shall withdraw all claims and counterclaims in the arbitration.



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.

The parties reached a settlement agreement and the arbitration has been resolved by mutual acceptance on 10 August 2022. The tribunal awarded and directed that in full and final settlement of the claim by the Claimant against the Respondents, the Respondents shall jointly and severally pay the sum of USD90,000 to the Claimant within 14 days of the award. This payment of the sum of USD90,000 constitutes settlement of all claims and counterclaims between the Claimant and the Respondents.

### 13 Significant related party transactions

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

		Cumulative Quarters	
		30 / 06 / 2022	30 / 6 / 2021
		RM'000	RM'000
i)	Purchase of goods and services from non-controlling interest of subsidiaries	21	3,261
ii)	Provision of operation and maintenance (O&M) services from a non-controlling interest of	901	1,695
iii)	Project management fee from non-controlling interest of subsidiaries	240	210
iv)	Interest charges on advances from a non-controlling interest of subsidiaries	-	45
v)	Sales of goods and services to non-controlling interest of subsidiaries	(42)	(617)

In the 29th Annual General Meeting ("AGM") on 22 October 2021, the shareholders have given the mandate for the Group to enter into the recurring related parties transactions 13(i) and (ii) with the cumulative values not more than RM36.0 million and RM8.0 million respectively from 22 October 2021 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 2022 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 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.

Quarter	Revenue			Consolidated RM'000
	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	
<b>FY22/23:</b>				
Quarter 1	5,035	4,574	-	9,609
Full financial year	5,035	4,574	-	9,609

Quarter	Revenue			Consolidated RM'000
	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	
<b>FY21/22:</b>				
Quarter 1	392	13,876	-	14,268
Quarter 2	164	18,330	-	18,494
Quarter 3	953	14,426	-	15,379
Quarter 4	1,166	13,400	-	14,566
Full financial year	2,675	60,032	-	62,707
Revenue from discontinued operation**	-	25,609	-	25,609
Full financial year including discontinuing operation	2,675	85,641	-	88,316

Quarter	(Loss)/Profit before taxation			Consolidated RM'000
	Property development RM'000	Energy services RM'000	Investment holdings and others RM'000	
<b>FY22/23:</b>				
Quarter 1	(45)	(3,066)	(1,702)	(4,813)
Full financial year	(45)	(3,066)	(1,702)	(4,813)
<b>FY21/22:</b>				
Quarter 1	(479)	4,771	(2,064)	2,228
Quarter 2	(435)	5,350	(1,975)	2,940
Quarter 3	(154)	23,920	(8,056)	15,710
Quarter 4	(465)	(11,028)	(3,136)	(14,629)
Full financial year	(1,533)	23,013	(15,231)	6,249
PBT from discontinued operation**	-	808	-	808
Full financial year including discontinuing operation	(1,533)	23,821	(15,231)	7,057
Exceptional items	241	(10,342)	-	(10,101)
Full financial year excluding exceptional items	(1,292)	13,479	(15,231)	(3,044)

**Q1 FY22/23 vs Q1 FY21/22**

For the first quarter ended 30 June 2022 ("Q1 FY22/23"), the Group's revenue fell by RM4.66 million due to lower contribution from Energy Services Divisions as compared to the same quarter last year. Accordingly, the Group recorded a loss before taxation ("LBT") of RM4.81 million against profit before taxation ("PBT") of RM2.23 million for the same period last year.

The Energy Services Division recorded a lower revenue mainly due to the completion of the Floating Storage and Offloading ("FSO") contract in Myanmar at the end of April 2022.

The Property Development Division recorded an increase in revenue by RM4.64 million in Q1 FY22/23 as compared to RM0.39 million recorded in the same quarter last year. The revenue contribution came from the sale of Seremban Land on top of the same maiden project in Teluk Panglima Garang. The Division is still incurring a small loss as revenue recognition for this current project is progressing and will increase towards the last phase of the construction in the next quarter.

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

**Q1 FY22/23 vs Q4 FY21/22**

LBT for the Q1 FY22/23 is lower by 67% as compared to LBT of RM14.63 million for the last immediate quarter, Q4 FY21/22. This is due to the provision for impairment loss on the carrying amount of property, plant and equipment ("PPE") of RM9.00 million recorded in Q4 FY21/22.

**17 Future prospects**

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

(a) Property Development Division

Since the government announced the "Transition to Endemic" phase of Covid-19 on 1st April 2022, this division has been operating at a more active level compared to the previous quarter.

Our fully-sold maiden project, Taman Iram Perdana, is on track to hand over the first unit in the coming quarter. Earthworks for a further two new sites have been completed, and three other projects are scheduled for a timely launch once they receive the relevant authority approvals.

As such, the outlook of our property development division is positive. We are still keeping a close eye on the general inflation that has impacted many industries and supply chains, and will adjust selling prices reasonably to accommodate such cost increases.

(b) Energy Services Division

The Floating Storage and Offloading Facilities business completed its 57 months contract in May 2022 and is already actively pursuing redeployment opportunities around the region for Ratu ENRA and the Single Point Mooring system. As oil prices are currently elevated, the upstream oil & gas sector is experiencing a recovery in exploration and production activities. As such we are optimistic about landing a new contract for our assets.

The Maintenance, Repair and Overhaul ("MRO") business has continued to chart further growth. Having completed its first MRO project after a 2 year engagement, the MRO team is now servicing a major international oil company's fleet of diesel engines. Furthermore, we have formalised a collaboration with MTU Services (Malaysia) Sdn Bhd which will provide the MRO business with additional capability and experience to pursue more projects.

The Group will focus on achieving our FY'22/23 revenue target, operational improvement and cost management initiatives.

**18 Profit forecast**

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

**19 (Loss)/Profit for the financial year**

	Cumulative Quarters	
	30 / 06 / 2022	30 / 6 / 2021
	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after (crediting) / charging		
Interest income	(33)	(60)
Interest expense	157	729
Lease interest expense	32	38
Other income including investment income	(76)	4
Depreciation of property, plant and equipment	1,448	1,951
Depreciation of right of use assets	99	262
Amortisation of intangible assets	-	76
Fair value loss on derivatives	-	229
Loss/ (gain) on disposal of property, plant and equipment	-	74
Unrealised loss/ (gain) on foreign exchange	(88)	3

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.

**20 Income tax expense****Continuing Operations:**

	Individual Quarter		Cumulative Quarter	
	30 / 06 / 2022	30 / 6 / 2021	30 / 06 / 2022	30 / 6 / 2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	124	142	124	142
	124	142	124	142
Discontinued operation	-	107	-	107
	124	249	124	249

**21 Goodwill**

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

	As at	As at
	30 / 06 / 2022	30 / 6 / 2021
	RM'000	RM'000
51% of ENRA IOL Sdn. Bhd. ("EIOL")	400	400
	400	400
Reclassification to asset held for sale	-	4,004
	400	4,404

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.

## 22 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 30 June 2022:</b>							
<b>Secured</b>							
Term loans	-	370	-	-	-	370	370
Trade facilities	-	-	-	-	-	-	-
	-	370	-	-	-	370	370
<b>As at 30 June 2021:</b>							
<b>Secured</b>							
Term loans	10,934	24,996	-	-	10,934	24,996	35,930
Trade facilities	-	8,000	-	-	-	8,000	8,000
	10,934	32,996	-	-	10,934	32,996	43,930
Reclassification to asset held for sale	-	5,804	2,935	5,135	2,935	10,939	13,874
	10,934	38,800	2,935	5,135	13,869	43,935	57,804

The borrowing of the Group in the table above excludes the borrowing from Discontinued Operations.

## 23 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 30 June 2022 are as follows:

	Currency	Notional value RM'000	Net Fair value gain/(loss) RM'000
<b>As at 30 June 2022:</b>			
Forward currency buying contracts more than 1 year	USD	-	-
<b>Net fair value loss</b>			<b>-</b>
<b>As at 30 June 2021:</b>			
Forward currency selling contracts less than 1 year	GBP	1,867	(118)
Forward currency buying contracts less than 1 year	USD	4,714	(110)
<b>Net fair value loss</b>			<b>(228)</b>

## 24 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 19.

## 25 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.

## 26 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	
	30 / 06 / 2022	30 / 6 / 2021	30 / 06 / 2022	30 / 6 / 2021
Profit/(Loss) from continuing operation attributable to equity holders of the Company (RM'000)	(4,378)	608	(4,378)	608
Profit/(Loss) from discontinued operation (RM'000)	-	95	-	95
	<u>(4,378)</u>	<u>703</u>	<u>(4,378)</u>	<u>703</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	(3.24)	0.45	(3.24)	0.45
Profit/(loss) from discontinued operations	-	0.07	-	0.07
Diluted earnings per share (sen) :				
Profit/(loss) from continuing operations	(2.43)	0.34	(2.43)	0.34
Profit/(loss) from discontinued operations	-	0.05	-	0.05

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