

ENRA GROUP BERHAD
(Registration No. 199201005296/ 236800-T)
UNAUDITED FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 MAR 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 / 03 / 2023 RM ' 000	As at 31 / 03 / 2022 RM ' 000
ASSETS		
Non-current assets		
Property, plant and equipment	62,949	65,381
Right of use assets	8,870	9,110
Goodwill on acquisitions	-	400
Contract cost assets	168	276
	<u>71,987</u>	<u>75,167</u>
Current assets		
Inventories	59,690	72,072
Trade and other receivables	6,834	18,629
Contract assets	1,140	1,046
Derivative assets	98	-
Current tax assets	212	124
Cash and bank balances and short term funds	12,794	20,287
	<u>80,768</u>	<u>112,158</u>
Non-current assets held for sale		
TOTAL ASSETS	<u>152,755</u>	<u>187,325</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
Treasury Shares	(1,199)	(1,199)
Non-distributable reserves	1,990	532
Reserves	(59,861)	(35,656)
	<u>88,560</u>	<u>111,307</u>
Non-controlling interests	166	2,087
Total equity	<u>88,726</u>	<u>113,394</u>
Non-current liabilities		
Trade and other payables	22,830	22,833
Lease liabilities	1,548	1,495
Redeemable convertible preference shares liability	6,434	6,959
	<u>30,812</u>	<u>31,287</u>
Current liabilities		
Trade and other payables	16,523	37,244
Contract Liability	1,192	962
Borrowings	13,972	3,877
Lease liabilities	88	125
Redeemable convertible preference shares liability	1,057	-
Current tax liabilities	385	436
	<u>33,217</u>	<u>42,644</u>
Total liabilities	64,029	73,931
TOTAL EQUITY AND LIABILITIES	<u>152,755</u>	<u>187,325</u>
Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)	<u>0.66</u>	<u>0.82</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 2022 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD

(Registration No. 199201005296/ 236800-T)

UNAUDITED FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 MAR 2023
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarters	
	31 / 03 / 2023	31 / 03 / 2022	31 / 03 / 2023	31 / 03 / 2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue	9,823	14,566	30,479	62,707
Cost of sales	(7,132)	(13,601)	(32,388)	(42,854)
Gross profit/(loss)	2,691	965	(1,909)	19,853
Other operating income	119	1,217	1,554	21,043
Operating expenses	(11,588)	(16,509)	(34,936)	(32,666)
(Loss)/ Profit from operations	(8,778)	(14,327)	(35,291)	8,230
Lease interest expense	(32)	(38)	(124)	(143)
Finance cost	(495)	(264)	(1,479)	(1,838)
(Loss)/ Profit before taxation	(9,305)	(14,629)	(36,894)	6,249
Taxation	(141)	345	(168)	(653)
(Loss)/ Profit after taxation	(9,446)	(14,284)	(37,062)	5,596
Discontinued operations				
Profit for the financial period from discontinued operations, net of tax	-	-	-	569
(Loss)/ Profit for the financial period	(9,446)	(14,284)	(37,062)	6,165
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	300	1,289	2,531	50
Total comprehensive (loss)/ income for the financial period	(9,146)	(12,995)	(34,531)	6,215
(Loss)/ Profit attributable to:-				
Equity holders of the Company	(5,874)	(8,586)	(24,205)	7,319
Non-controlling interests	(3,571)	(5,698)	(12,857)	(1,154)
	(9,445)	(14,284)	(37,062)	6,165
Total comprehensive (loss)/income attributable to:-				
Equity holders of the Company	(5,257)	(7,938)	(22,747)	7,035
Non-controlling interests	(3,889)	(5,057)	(11,784)	(820)
	(9,146)	(12,995)	(34,531)	6,215
Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):				
(a) Basic				
(Loss)/ Profit from continuing operations	(4.34)	(6.36)	(17.94)	5.00
Profit from discontinued operations	-	-	-	0.42
(b) Fully diluted				
(Loss)/ Profit from continuing operations	(3.22)	(4.71)	(13.28)	3.70
Profit from discontinued operations	-	-	-	0.31

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
(Registration No. 199201005296/ 236800-T)
UNAUDITED FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 MAR 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	----- Attributable to equity holders of the Company -----							Total Equity RM ' 000
	<----- 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	
Financial year ended 31 March 2023								
As at 1 April 2022	144,744	2,886	532	(1,199)	(35,656)	111,307	2,087	113,394
Loss for the financial year	-	-	-	-	(24,205)	(24,205)	(12,857)	(37,062)
Other comprehensive (loss)/income, net of tax	-	-	1,458	-	-	1,458	1,073	2,531
Total comprehensive (loss)/income	-	-	1,458	-	(24,205)	(22,747)	(11,784)	(34,531)
Issue of shares by subsidiaries to a non-controlling interest	-	-	-	-	-	-	30	30
Issuance capital contribution reserve to a non-controlling interest	-	-	-	-	-	-	10,380	10,380
Repayment of capital contribution to non-controlling interest	-	-	-	-	-	-	(547)	(547)
Total transactions with owners	-	-	-	-	-	-	9,863	9,863
As at 31 Mar 2023	144,744	2,886	1,990	(1,199)	(59,861)	88,560	166	88,726
Financial year ended 31 March 2022								
As at 1 April 2021	144,744	2,886	816	(1,199)	(32,991)	114,256	3,965	118,221
Profit for the financial year	-	-	-	-	7,319	7,319	(1,154)	6,165
Other comprehensive (loss)/income, net of tax	-	-	(284)	-	-	(284)	334	50
Total comprehensive income/(loss)	-	-	(284)	-	7,319	7,035	(820)	6,215
Dividends to equity holders of the Company	-	-	-	-	(9,984)	(9,984)	-	(9,984)
Repayment of capital contribution to non-controlling interest	-	-	-	-	-	-	(1,058)	(1,058)
Total transactions with owners	-	-	-	-	(9,984)	(9,984)	(1,058)	(11,042)
As at 31 Mar 2022	144,744	2,886	532	(1,199)	(35,656)	111,307	2,087	113,394

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
(Registration No. 199201005296/ 236800-T)
UNAUDITED FINANCIAL STATEMENTS FOR THE FORTH QUARTER ENDED 31 MAR 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarters ended	
	31 / 03 / 2023	31 / 03 / 2022
	RM ' 000	RM ' 000
Cash flows from operating activities		
(Loss)/profit before taxation		
Continuing operation	(36,894)	6,249
Discontinued operation	-	808
Adjustments for non-cash items:		
Net provision for impairment loss on receivables	723	-
Reversal of impairment loss on trade receivables	-	(3)
Impairment of goodwill	400	-
Depreciation of property, plant and equipment	5,669	7,614
Depreciation of right of use assets	402	715
Amortisation of intangible assets	-	199
Impairment of property, plant and equipment	-	9,006
Provision for Net Realisable Value ("NRV") loss on inventories	10,891	241
Fair value gain on short term funds	-	(14)
Fair value (gain)/loss on derivatives	(98)	553
Gain on disposal of subsidiaries	-	(19,588)
Loss on disposal of property, plant and equipment	-	69
Unrealised loss on foreign exchange	227	(633)
Interest expense:		
- Unwinding of redeemable convertible preference shares discount	532	494
- Unwinding of lease interest	124	143
- Borrowings	947	1,344
Interest income	(115)	(235)
Operating profit before changes in working capital	(17,192)	6,962
Changes in working capital	1,255	(4,265)
Net tax paid	(175)	122
Net cash (used in)/ from operating activities	(16,112)	2,819
Cash flows from investing activities		
Interest received	115	235
Uplift/(Placement) of pledged deposits	1,955	(674)
Proceeds from disposal of property, plant and equipment	-	11
Net proceeds from disposal of subsidiaries	-	41,896
Acquisition of :		
- right of use assets	(14)	-
- acquisition of property, plant and equipment	(5)	(1,504)
Contingent consideration paid	-	(2,456)
Net cash from/(used in) investing activities	2,051	37,508
Cash flows from financing activities		
Interest paid	(947)	(1,344)
Dividend paid to equity holders of the Company	-	(9,984)
Capital contribution from NCI	(545)	(1,058)
Net drawdown/(repayment) of borrowing	10,095	(41,789)
Repayment of lease liabilities	(255)	(675)
Net cash used in financing activities	8,348	(54,850)
Net decrease in cash and cash equivalents	(5,713)	(14,523)
Cash and cash equivalents at beginning of financial period	16,051	30,510
Effect of foreign currency exchange rate changes	174	64
Cash and cash equivalents at end of financial period	10,512	16,051
Cash and cash equivalents comprise:-		
Continuing operations		
Cash and bank balances	12,794	20,287
Less: Deposits pledged to licensed banks	(2,282)	(4,236)
	10,512	16,051

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:

Title:	Effective date for the financial period commencing on or after:
Annual Improvement 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 MFRS 137 <i>Onerous Contract - Cost of Fulfilling a Contract</i>	1 January 2022 (early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Company.

Title:	Effective date for the financial period commencing on or after:
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 16 Leases - Lease liability in a sale and leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statement - Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statement - Non-current Liabilities with Covenants	1 January 2024
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

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 ("At any time during the period commencing on, and inclusive of, the Issue Date and ending at 5.00 p.m. on the Market Day immediately preceding the 5th anniversary of the Issue Date"), 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 27 September 2022 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 27 September 2022 to the conclusion of the next AGM subject to:

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

As of 31 March 2023, 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 for a period of 5 years up to 12 February 2023. Subsequently, the Company has extended the duration of the ESS for another 5 years to 12 February 2028. 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 31 March 2023, 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 31 Mar 2023.

9 Revenue

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

	Discontinued Operations Cumulative Quarters		Continuing Operations Cumulative Quarters	
	31 / 03 / 2023	31 / 03 / 2022	31 / 03 / 2023	31 / 03 / 2022
	RM'000	RM'000	RM'000	RM'000
Products and services:				
Sale of properties	-	-	5,612	2,675
Sale of trading goods	-	24,914	22	6,917
Leasing	-	-	13,919	34,068
Services rendered	-	695	10,926	19,051
	-	25,609	30,479	62,711
Timing of revenue recognition:				
At a point in time	-	24,914	5,865	7,203
Over time	-	695	24,614	55,508
	-	25,609	30,479	62,711

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		
Financial period ended 31 Mar 2023						
Revenue						
- External	5,612	23,663	-	29,275	-	29,275
Results						
Operating (loss)/profit	(12,229)	(15,193)	(6,917)	(34,339)	-	(34,339)
Interest income				115	-	115
Lease interest expense				(124)	-	(124)
Finance cost				(1,479)	-	(1,479)
Tax expense				(168)	-	(168)
Profit for the financial year				(35,994)	-	(35,994)
Earning before interest, tax, depreciation and amortisation	(1,158)	(9,436)	(5,673)	(16,267)	-	(16,267)
Major exceptional items	10,890	10,548	-	21,439	-	21,439
Earning before interest, tax, depreciation and amortisation (excluding major exceptional items)	9,732	1,112	(5,673)	5,171	-	5,171

	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		
Financial period ended 31 Mar 2022						
Revenue						
- External	2,675	60,032	-	62,707	25,609	88,316
Results						
Operating profit/(loss)	(740)	23,755	(15,020)	7,995	1,456	9,451
Interest income				235	-	235
Lease interest expense				(143)	(5)	(148)
Finance cost				(1,838)	(643)	(2,481)
Tax expense				(653)	(239)	(892)
Loss for the financial year				5,596	569	6,165
Earning before interest, tax, depreciation and amortisation	(561)	30,821	(14,864)	15,396	-	15,396
Major exceptional items	241	(10,342)		(10,101)	-	(10,101)
Earning before interest, tax, depreciation and amortisation (excluding major exceptional items)	(320)	20,479	(14,864)	5,295	-	5,295

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 gave birth to MSMENRA Sdn Bhd ("MSMENRA"), a 70:30 joint venture between ENRA and MSM respectively.

On 26 September 2022, ENRA has made a final announcement pertaining to this initiative, that on 23 September 2022, ENRA received a letter of request from MFDH Holdings Sdn. Bhd., the holding company of MSM, that it wishes to cease the pursuit of the MSMENRA joint venture in conjunction with the MSM Collaboration. ENRA has accepted this request and will work with MSM to terminate both parties' relationship in MSMENRA.

- (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 believe that the growth and expansion of the Group's current MRO services may contribute 25% or more of the net profit 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. The Proposed Diversification was accepted and approved by the shareholders at the Extraordinary General Meeting ("EGM") convened on 27 September 2022.

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 ("ESPML Settlement Agreement dated 10 August 2022").

Upon payment for the settlement sum made on 2 September 2022, PT CMS and ESPML have withdrawn all claims and counterclaims in the arbitration, and Ratu ENRA was subsequently released on 5 September 2022. With the settlement, the case has been officially closed.

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.

13 Significant related party transactions

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

		Cumulative Quarters	
		31 / 03 / 2023	31 / 03 / 2022
		RM'000	RM'000
i)	Purchase of goods and services from non-controlling interest of subsidiaries	21	3,496
ii)	Provision of operation and maintenance (O&M) services from a non-controlling interest of subsidiaries	4,424	6,859
iii)	Project management fee from non-controlling interest of subsidiaries	996	840
iv)	Interest charges on advances from a non-controlling interest of subsidiaries	-	178
v)	Sales of goods and services to non-controlling interest of subsidiaries	(66)	(1,047)
vi)	Commision fee paid to company owned by a director of subsidiary	2	159
vii)	Interest charges on mezzanine financing from directors and employee of the company	439	-

In the 30th Annual General Meeting ("AGM") on 27 September 2022, the shareholders have given the mandate for the Group to enter into the recurring related parties transactions 13(i) and (ii) with the cummulative values not more than RM3.5 million and RM29.5 million respectively from 27 September 2022 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 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	Energy services	Investment holdings and others	
		RM'000	RM'000	
FY22/23:				
Quarter 1	5,053	4,574	-	9,627
Quarter 2	122	78	-	200
Quarter 3	300	10,529	-	10,829
Quarter 4	137	9,686	-	9,823
Full financial year	5,612	24,867	-	30,479

Quarter	Revenue			Consolidated RM'000
	Property development	Energy services	Investment holdings and others	
		RM'000	RM'000	
FY21/22:				
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	Energy services	Investment holdings and others	
	RM'000	RM'000	RM'000	
FY22/23:				
Quarter 1	(45)	(3,066)	(1,702)	(4,813)
Quarter 2	(4,181)	(15,884)	(1,749)	(21,814)
Quarter 3	(176)	1,226	(2,012)	(962)
Quarter 4	(8,475)	1,427	(2,257)	(9,304)
Full financial year	(12,877)	(16,297)	(7,720)	(36,894)
PBT from discontinued operation	-	-	-	-
Full financial year including discontinuing operation	(12,877)	(16,297)	(7,720)	(36,894)
Exceptional items	10,890	10,548	-	21,439
Full financial year excluding exceptional items	(1,986)	(5,749)	(7,720)	(15,455)
FY21/22:				
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)

Q4 FY22/23 vs Q4 FY21/22

For the fourth quarter ended 31 March 2023 ("Q4 FY22/23"), a total of RM9.82 million in revenue was mainly contributed by the Energy Services Division, which was 33% lower compared to the same quarter last year of RM14.57 million. Regarding profitability for the quarter, the Group recorded a loss before taxation ("LBT") of RM9.30 million, compared to an LBT of RM14.63 million for the same period last year.

The Energy Services Division recorded a revenue of RM9.69 million for the quarter, which was a combination of revenue contributed from its Floating Storage and Offloading ("FSO") contract in Myanmar and its Maintenance, Repair, and Overhaul ("MRO") operation. These operations have contributed RM1.43 million to the Group's Profit Before Taxation ("PBT") in the current quarter.

The Property Development Division recorded a revenue of RM0.14 million, which was 88% lower compared to the same quarter last year. The revenue was contributed from the same maiden project in Teluk Panglima Garang, and we anticipate delivering vacant possession to the buyers by Q1 of the next financial year. However, the Division recorded a loss before taxation ("LBT") of RM8.48 million for the quarter, primarily due to an impairment on the carrying value of properties in Rugby, United Kingdom.

FY22/23 vs FY21/22

The revenue for the financial year ended 31 March 2023 amounted to RM30.48 million, which is 51% lower compared to the RM62.71 million recorded in the previous financial year. This decline is primarily attributed by a lower contribution from the Energy Services Division.

The Group recorded a loss before taxation ("LBT") of RM36.89 million, a significant decrease from the previous year's profit before taxation ("PBT") of RM6.25 million. This decline was primarily due to lower revenue, the provision for impairment on Rugby properties, and the settlement made for arbitrations against ex-contractors of the Group. The settlement was crucial in enabling the deployment of the Group's marine assets for a new Floating Storage and Offloading ("FSO") contract that commenced in October 2022.

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

Q4 FY22/23 vs Q3 FY22/23

The revenue for Q4 FY22/23 amounted to RM9.82 million, which was lower by RM1.00 million compared to Q3 FY22/23. This decrease was primarily due to the revenue recorded by the MRO division for a job completed and billed in Q3 FY22/23, as well as the lower number of days in Q4 compared to Q3. The revenue of the FSO business is affected by the number of days, as it is charged on a daily basis. Consequently, the loss before taxation ("LBT") for Q4 FY22/23 is higher compared to the LBT of RM0.96 million recorded in the previous quarter, exacerbated by the impairment provision made on the properties in Rugby. .

17 Future prospects

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

(a) Property Development Division

In the face of an uncertain external environment, the property market, domestically and abroad, is likely to continue facing headwinds in the coming year.

Our Malaysian property efforts are not spared from the prevailing market challenges. Taman Iram Perdana, our fully-sold first project, is set to hand over keys to its new owners in Q1 FY23/24, marking a milestone for our Affordable Homes business. However, having experienced a significant increase in building costs and observing the impact of the recent overnight policy rate ("OPR") increase on our buyers, we are reevaluating the product design, pricing and marketing strategy for the other projects we have in the pipeline.

Similar challenges have also impacted the Rugby project and the team has been working on refining the sales strategy and project feasibility.

(b) Energy Services Division

The Energy Logistics business has been operating Ratu ENRA and a Single Point Mooring system for an 8-month contract ending in June 2023. After the completion of this current contract, Ratu ENRA will be chartered on a bareboat basis for a 5-year period with a mutual option to extend it further for another 5 years. Given the current elevated oil prices and prevailing geopolitical environment, the logistics of oil, gas and related cargo for storage or transport purposes is anticipated to be in high demand, which bodes well for this division.

As for the maintenance, repair, and overhaul ("MRO") business, the Company has begun a business development and marketing drive of its services and solutions to both the government and commercial sectors. The company has also hired a team of trained and qualified technicians, as well as investing in its first Service Centre in Ipoh. Furthermore, to ensure sustainable supply chain management and address obsolescence issues commonly encountered with aging capital assets, the company has established a broad network of reliable vendors to supply parts and provide technical assistance.

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	
	31 / 03 / 2023	31 / 03 / 2022
	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after (crediting) / charging		
Interest income	(115)	(235)
Interest expense	1,479	1,838
Lease interest expense	124	143
Other income including investment income	(1,439)	(20,808)
Depreciation of property, plant and equipment	5,669	7,614
Depreciation of right of use assets	402	715
Amortisation of intangible assets	-	199
Fair value loss on derivatives	(98)	553
Provision for NRV loss on inventories	10,891	-
Loss/ (gain) on disposal of property, plant and equipment	-	69
Net provision for impairment loss on receivables	723	-
Impairment of goodwill	400	-
Unrealised loss/ (gain) on foreign exchange	227	(633)
Realised loss/(gain) from foreign exchange	1,053	(48)

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	
	31 / 03 / 2023	31 / 03 / 2022	31 / 03 / 2023	31 / 03 / 2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	161	(341)	207	641
- under provision for prior year	(20)	(4)	(39)	12
	141	(345)	275	653

Discontinuing Operations:

	Individual Quarter		Cumulative Quarter	
	31 / 03 / 2023	31 / 03 / 2022	31 / 03 / 2023	31 / 03 / 2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	-	-	-	124
Australian income tax	-	-	-	115
	-	-	-	239

21 Goodwill

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

	As at	As at
	31 / 03 / 2023	31 / 03 / 2022
	RM'000	RM'000
51% of ENRA IOL Sdn. Bhd. ("EIOL")	-	400
	-	400
Discontinuing operation	-	4,004
	-	4,404

Goodwill arising from this 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 impairment loss recognised in the current financial for RM0.40 million relating to the above subsidiary.

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	
As at 31 Mar 2023:							
Secured							
Term loans	-	13,972	-	-	-	13,972	13,972
As at 31 Mar 2022:							
Secured							
Term loans	-	3,877	-	-	-	3,877	3,877

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 31 Mar 2023 are as follows:

	Currency	Notional value RM'000	Net Fair value gain/(loss) RM'000
As at 31 Mar 2022:			
Forward currency selling contracts less than 1 year	USD	2,606	57
Forward currency buying contracts more than 1 year	USD	43	0
Forward currency buying contracts more than 1 year	SGD	2,332	41
Net fair value loss			98
As at 31 Mar 2022:			
Forward currency buying contracts less than 1 year	USD	-	-
Net fair value loss			-

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 and the first tranche of ESOS option under the employee share scheme ("ESS") are converted into new ordinary shares.

	Quarter Ended		Cumulative Quarter Ended	
	31 / 03 / 2023	31 / 03 / 2022	31 / 03 / 2023	31 / 03 / 2022
Profit/(Loss) from continuing operation attributable to equity holders of the Company (RM'000)	(5,874)	(8,586)	(24,205)	6,750
Profit/(Loss) from discontinued operation (RM'000)	-	-	-	569
	<u>(5,874)</u>	<u>(8,586)</u>	<u>(24,205)</u>	<u>7,319</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 and ESOS option conversion to new shares	47,412	47,412	47,412	47,412
Potential maximum number of ordinary shares	<u>182,331</u>	<u>182,331</u>	<u>182,331</u>	<u>182,331</u>
Basic earnings per share (sen) :				
Profit/(loss) from continuing operations	(4.34)	(6.36)	(17.94)	5.00
Profit/(loss) from discontinued operations	-	-	-	0.42
Diluted earnings per share (sen) :				
Profit/(loss) from continuing operations	(3.22)	(4.71)	(13.28)	3.70
Profit/(loss) from discontinued operations	-	-	-	0.31

By Order of the Board
ENRA Group Berhad