

**ENRA GROUP BERHAD**  
**(Registration No. 199201005296/ 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30 / 06 / 2023 RM ' 000	As at 31 / 03 / 2023 RM ' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,394	62,949
Right of use assets	8,828	8,870
Goodwill on acquisitions	-	-
Contract cost assets	168	168
	<u>74,390</u>	<u>71,987</u>
<b>Current assets</b>		
Inventories	61,873	59,984
Trade and other receivables	12,405	6,906
Contract assets	1,269	1,140
Derivative assets	128	98
Current tax assets	166	212
Cash and bank balances and short term funds	8,121	12,794
	<u>83,962</u>	<u>81,134</u>
Non-current assets held for sale		
<b>TOTAL ASSETS</b>	<b><u>158,352</u></b>	<b><u>153,121</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	5,029	1,987
Reserves	(63,079)	(61,132)
	<u>88,381</u>	<u>87,286</u>
<b>Non-controlling interests</b>	2,592	(1,060)
<b>Total equity</b>	<u>90,973</u>	<u>86,226</u>
<b>Non-current liabilities</b>		
Trade and other payables	22,843	22,830
Borrowings	721	721
Lease liabilities	1,595	1,540
Redeemable convertible preference shares liability	6,547	6,434
	<u>31,706</u>	<u>31,525</u>
<b>Current liabilities</b>		
Trade and other payables	19,621	19,498
Contract Liability	1,238	1,192
Borrowings	13,251	13,251
Lease liabilities	71	96
Redeemable convertible preference shares liability	1,057	1,057
Current tax liabilities	422	276
	<u>35,673</u>	<u>35,370</u>
<b>Total liabilities</b>	67,379	66,895
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>158,352</u></b>	<b><u>153,121</u></b>
<b>Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)</b>	<b><u>0.66</u></b>	<b><u>0.65</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 2023 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**

(Registration No. 199201005296/ 236800-T)

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarters	
	30 / 06 / 2023	30 / 6 / 2022	30 / 06 / 2023	30 / 6 / 2022
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Revenue	10,908	9,590	10,908	9,590
Cost of sales	(7,391)	(10,778)	(7,391)	(10,778)
Gross profit/(loss)	3,517	(1,188)	3,517	(1,188)
Other operating income	69	128	69	128
Operating expenses	(3,098)	(3,563)	(3,098)	(3,563)
(Loss)/ Profit from operations	488	(4,623)	488	(4,623)
Lease interest expense	(32)	(32)	(32)	(32)
Finance cost	(487)	(157)	(487)	(157)
(Loss)/ Profit before taxation	(31)	(4,812)	(31)	(4,812)
Taxation	(172)	(124)	(172)	(124)
(Loss)/ Profit for the financial period	(203)	(4,936)	(203)	(4,936)
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	4,949	2,268	4,949	2,268
<b>Total comprehensive (loss)/ income for the financial period</b>	<b>4,746</b>	<b>(2,668)</b>	<b>4,746</b>	<b>(2,668)</b>
<b>(Loss)/ Profit attributable to:-</b>				
Equity holders of the Company	(1,947)	(4,378)	(1,947)	(4,378)
Non-controlling interests	1,744	(558)	1,744	(558)
	(203)	(4,936)	(203)	(4,936)
<b>Total comprehensive (loss)/income attributable to:-</b>				
Equity holders of the Company	1,095	(3,417)	1,095	(3,417)
Non-controlling interests	3,651	749	3,651	749
	4,746	(2,668)	4,746	(2,668)
<b>Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):</b>				
<b>(a) Basic</b>				
(Loss)/ Profit from operations	(1.44)	(3.25)	(1.44)	(3.25)
<b>(b) Fully diluted</b>				
(Loss)/ Profit from operations	(1.07)	(2.40)	(1.07)	(2.40)

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 2023 and the accompanying explanatory notes to the interim financial statements.

**ENRA GROUP BERHAD**  
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**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

**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 2024</b>								
As at 1 April 2023	144,744	2,886	1,987	(1,199)	(61,132)	87,286	(1,060)	86,226
Loss for the financial year	-	-	-	-	(1,947)	(1,947)	1,744	(203)
Other comprehensive (loss)/income, net of tax	-	-	3,042	-	-	3,042	1,907	4,949
<b>Total comprehensive (loss)/income</b>	-	-	3,042	-	(1,947)	1,095	3,651	4,746
Issue of shares by subsidiaries to a non-controlling interest	-	-	-	-	-	-	1	1
<b>Total transactions with owners</b>	-	-	-	-	-	-	1	1
As at 30 June 2023	144,744	2,886	5,029	(1,199)	(63,079)	88,381	2,592	90,973
<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
Loss 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 income/(loss)</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

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 2023 and the accompanying explanatory notes to the interim financial statements.

**ENRA GROUP BERHAD**

(Registration No. 199201005296/ 236800-T)

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 JUNE 2023****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarters ended</b>	
	<b>30 / 06 / 2023</b>	<b>30 / 6 / 2022</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(31)	(4,812)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,428	1,448
Depreciation of right of use assets	65	99
Fair value (gain)/loss on derivatives	(16)	-
Unrealised loss on foreign exchange	(2)	(88)
Interest expense:		
- Unwinding of discount (RCPS)	113	127
- Unwinding of lease interest	32	32
- Borrowings	374	30
Interest income	(26)	(33)
Operating profit before changes in working capital	1,937	(3,197)
Changes in working capital	(5,565)	6,486
Net tax paid	(257)	87
<b>Net cash (used in)/ from operating activities</b>	<b>(3,885)</b>	<b>3,376</b>
<b>Cash flows from investing activities</b>		
Interest received	26	33
Uplift/(Placement) of pledged deposits	-	831
Proceeds from disposal of property, plant and equipment	3	-
Acquisition of :		
- acquisition of property, plant and equipment	(79)	-
<b>Net cash from/(used in) investing activities</b>	<b>(50)</b>	<b>864</b>
<b>Cash flows from financing activities</b>		
Interest paid	(374)	(62)
Capital contribution from NCI	(545)	(546)
Net drawdown/(repayment) of borrowing	-	(3,507)
Repayment of lease liabilities	(24)	(63)
<b>Net cash used in financing activities</b>	<b>(943)</b>	<b>(4,178)</b>
Net decrease in cash and cash equivalents	(4,878)	62
Cash and cash equivalents at beginning of financial period	10,513	16,051
Effect of foreign currency exchange rate changes	205	170
Cash and cash equivalents at end of financial period	5,840	16,283
Cash and cash equivalents comprise:-		
Cash and bank balances	8,121	19,688
Less: Deposits pledged to licensed banks	(2,281)	(3,405)
	5,840	16,283

*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 2023 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 2023.

**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 2023, 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 2023:

<b>Title:</b>	<b>Effective date for the financial period commencing on or after:</b>
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

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

<b>Title:</b>	<b>Effective date for the financial period commencing on or after:</b>
Amendments to MFRS 101 Presentation of Financial Statement - Non-current Liabilities with Covenants	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 16 Leases - Lease liability in a sale and leaseback	1 January 2024
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	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
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	See paragraph 98M of MFRS 112

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 2023 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 18.

#### **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 25.

##### **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.

## 7 Debt and equity securities (cont...)

### 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 30 June 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 30 June 2023.

## 9 Revenue

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

	Individual Quarters		Cumulative Quarters	
	30 / 06 / 2023	30 / 6 / 2022	30 / 06 / 2023	30 / 6 / 2022
	RM'000	RM'000	RM'000	RM'000
<b>Products and services:</b>				
Sale of properties	1,015	5,016	1,015	5,016
Sale of trading goods	-	15	-	15
Leasing	5,606	3,111	5,606	3,111
Services rendered	4,287	1,467	4,287	1,467
	<u>10,908</u>	<u>9,609</u>	<u>10,908</u>	<u>9,609</u>
<b>Timing of revenue recognition:</b>				
At a point in time	700	4,500	700.00	4,500
Over time	10,208	5,109	10,208	5,109
	<u>10,908</u>	<u>9,609</u>	<u>10,908</u>	<u>9,609</u>

## 10 Segmental information

	Property	Energy	MRO	Investment	Consolidated
	development	Logistics	services	holdings and others	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial period ended 30 June 2023</b>					
<b>Revenue</b>					
- External	1,015	9,893	-	-	10,908
<b>Results</b>					
Operating (loss)/profit	(215)	2,622	-508	(1,437)	462
Interest income					26
Lease interest expense					(32)
Finance cost					(487)
Tax expense					(172)
Profit for the financial year					<u>(203)</u>
Earning before interest, tax, depreciation and amortisation	(158)	4,045	-505	(1,401)	<u>1,981</u>

## 10 Segmental information (cont...)

	Property development RM'000	Energy Logistics RM'000	MRO services RM'000	Investment holdings and others RM'000	Consolidated RM'000
<b>Financial period ended 30 June 2022</b>					
<b>Revenue</b>					
- External	5,016	4,574	-	-	9,590
<b>Results</b>					
Operating profit/(loss)	116	(2,869)	(196)	(1,707)	(4,657)
Interest income					33
Lease interest expense					(32)
Finance cost					(157)
Tax expense					(123)
Loss for the financial year					(4,936)
Earning before interest, tax, depreciation and amortisation	169	(1,392)	(191)	(1,663)	(3,076)

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) Disposal of 30% shares in ENRA Energy Solutions Sdn Bhd ("EESSB") by ENRA Engineering & Construction Sdn Bhd ("EECSB").

EECSB, a wholly owned subsidiary of ENRA Group Berhad had on 12 April, entered into a Shares Sale and Purchase Agreement with Tai Chong Marine Engineering Sdn Bhd ("TCM") to transfer its 30% shares in EESSB for a cash consideration of RM1,000.00.

Following the completion on 11 May 2023, EESSB has effectively become 70% subsidiary of the Company.

- (b) Disposal of 51% shares in ENRA IOL Sdn Bhd ("EIOL").

ENRA Group Berhad ("ENRA") had on 8 August 2023 entered into Share Sale and Purchase Agreement with OZLUX Sdn Bhd ("OZLUX") to transfer its entire investment equivalent to 51% shares in ENRA IOL Sdn Bhd for a cash consideration of RM1,200,000.00. Prior to the disposal, ENRA IOL was jointly owned by ENRA and OZLUX at 51% and 49% shares respectively.

Following the completion on 16 August 2023, EIOL has effectively ceased to be the subsidiary of ENRA.

## 12 Significant related party transactions

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

		Cumulative Quarters	
		30 / 06 / 2023	30 / 6 / 2022
		RM'000	RM'000
i)	Purchase of goods and services from non-controlling interest of subsidiaries	-	21
ii)	Provision of operation and maintenance (O&M) services from a non-controlling interest of subsidiaries	1,858	901
iii)	Project management fee from non-controlling interest of subsidiaries	240	240
iv)	Sales of goods and services to non-controlling interest of subsidiaries	-	(42)
v)	Interest charges on mezzanine financing from directors and employee of the company	190	-



## 12 Significant related party transactions (cont...)

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 cumulative 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.

## 13 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

## 14 Review of performance

For the financial period under review, the Group's business activities were split into 4 segments:

- (i) The Group's property development division comprises projects in Malaysia and abroad.
- (ii) The Group's energy logistics services division entails the provision of logistics/ chartering, engineering, operation and maintenance services relating to the energy sector.
- (iii) The Group's MRO services division entails the provision of maintenance, repair and overhaul, engineering and fabrication services to various sectors.
- (iv) 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.
- (v) The figures stated below has been restated "in line with the requirements of MFRS 5.

<u>Quarter</u>	<u>Property development</u> RM'000	<u>Energy Logistics</u> RM'000	<u>Revenue</u>		<u>Consolidated</u> RM'000
			<u>MRO services</u> RM'000	<u>Investment holdings and others</u> RM'000	
<u>FY23/24:</u>					
Quarter 1	1,015	9,893	-	-	10,908
Full financial year	1,015	9,893	-	-	10,908

<u>Quarter</u>	<u>Property development</u> RM'000	<u>Energy Logistics</u> RM'000	<u>MRO services</u> RM'000	<u>Investment</u>		<u>Consolidated</u> RM'000
				<u>holdings and others</u> RM'000		
<u>FY22/23:</u>						
Quarter 1	5,016	4,574	-	-	9,590	
Quarter 2	159	78	-	-	237	
Quarter 3	300	9,453	1,076	-	10,829	
Quarter 4	137	9,558	128	-	9,823	
Full financial year	5,612	23,663	1,204	-	30,479	

## 14 Review of performance (cont...)

Quarter	<u>(Loss)/Profit before taxation</u>				<u>Consolidated</u> RM'000
	<u>Property</u> <u>development</u> RM'000	<u>Energy</u> <u>Logistics</u> RM'000	<u>MRO</u> <u>services</u> RM'000	<u>Investment</u> <u>holdings and</u> <u>others</u> RM'000	
<b><u>FY23/24:</u></b>					
Quarter 1	(368)	2,635	-508	(1,790)	(31)
Full financial year	(368)	2,635	(508)	(1,790)	(31)
<b><u>FY22/23:</u></b>					
Quarter 1	(45)	(2,869)	(197)	(1,702)	(4,813)
Quarter 2	(4,181)	(15,712)	(172)	(1,749)	(21,814)
Quarter 3	(176)	1,381	(155)	(2,012)	(962)
Quarter 4	(11,038)	1,968	(542)	(2,275)	(11,887)
Full financial year	(15,440)	(15,232)	(1,066)	(7,738)	(39,476)
Exceptional items	13,481	10,148	-	1,123	24,752
Full financial year excluding exceptional items	(1,959)	(5,084)	(1,066)	(6,615)	(14,724)

### **Q1 FY23/24 vs Q1 FY22/23**

For the first quarter ended 30 June 2023 ("Q1FY23/24"), the Group reported a total revenue of RM10.91 million, marking a 14% increase compared to the corresponding quarter of the previous year. Additionally, in terms of profitability for the quarter, the Group have significantly reduced its loss before taxation ("LBT") by 99%, bringing it down to RM0.03 million, as opposed to a LBT of RM4.81 million during the same period last year. These improvements in quarter-on-quarter ("qoq") figures indicate that the Group's businesses have commenced a recovery process following a challenging year.

The Energy Services Division recorded a revenue of RM9.89 million for the quarter, marking a 116% increase as compared to the same quarter last year. The revenue was attributed to the deployment of the Group's core assets, the vessel ("Ratu ENRA") and Single Point Mooring ("SPM Buoy") for its Floating Storage and Offloading ("FSO") contract in Myanmar.

The Property Development Division reported a revenue of RM1.02 million, generated from Shamelin Star and our affordable homes project in Teluk Panglima Garang ("TPG 1"). However, the contribution from TPG 1 saw a decrease of 42% in comparison to the same quarter last year of RM0.52 million as the project approaching its final stage of the progress. The delayed delivery of vacant possession ("VP") to buyers in the 1QFY23/24 occurred due to delayed approvals.

The Maintenance, Repair, and Overhaul ("MRO") division did not generate any revenue in the first quarter of the year due to the rescheduling of 1 engine delivery to customer. As a result, the loss before taxation ("LBT") for the current quarter increase by 160% in comparison to the same quarter of the previous year due to the delay of revenue.

## 15 Material change in profit before taxation compared to the immediate preceeding quarter

### **Q1FY23/24 vs Q4FY22/23**

The revenue for Q1FY23/24 amounted to RM10.91 million, marking an 11% increase compared to Q4FY22/23. This increase was attributed to the higher revenue recorded by the Property Development Division and the favorable impact of a stronger USD against MYR on our FSO business, offsetting the absence of revenue from the MRO division during the current quarter. Referring to the profitability for the quarters in comparison, the exceptional loss incurred in the last quarter was primarily a result of an impairment provision made on the properties in Rugby, amounting to RM9.75 million.

## 16 Future prospects

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

(a) Property Development Division

The property market, both domestically and internationally, continue to encounter challenges.

The trend towards remote work has influenced preferences, sparking interest in properties located in suburban and rural areas. However, escalating construction costs and uncertainty surrounding potential increases in the Overnight Policy Rate ("OPR") have imposed certain limitations on both developers and prospective homebuyers. Our fully sold maiden project, Taman Iram Perdana is expecting to achieve with vacant possession in September 2023. Despite the challenges, we are pleased to highlight that we are making progress towards recognising revenue from our second project in the upcoming quarter. Having experienced a significant challenges in the industry, we are continuously reevaluating the product design, pricing and marketing strategy for our on going projects.

Similiar challenges have also impacted the Rugby project and the team has been diligently refining the sales strategy and project feasibility.

Considering the property market outlook and the prevailing conditions, our foremost focus is to sell all our products in a timely manner.

(b) Energy Logistics Division

The Floating Storage and Offloading ("FSO") operation, employing Ratu ENRA and a Single Point Mooring system, has received an extension until September 2023 from its original conclusion date of June 2023. Following the completion of this ongoing contract, Ratu ENRA will be chartered on a bareboat basis for a duration of 5 years, accompanied by a mutual option to further extend for an additional 5 years. Given the existing market conditions and prevailing geopolitical landscape, the logistics involving oil, gas, and associated cargo for storage or transportation purposes are expected to experience heightened demand.

(c) Maintenance, Repair and Overhaul ("MRO") Division

The organisation is currently undertaking active efforts in business expansion and promotional campaigns to introduce its array of services and solutions to both the government and commercial sectors. Additionally, it has commenced the submission of MRO quotes and proposals for diesel-powered equipments to the identified prospects within the Oil and Gas segment. In response to the challenges encountered within its offerings, the Company is taking significant steps to present "out of the box solutions" to its prospective customers.

The Group will focus on achieving our FY23/24 revenue target, operational improvement and cost management initiatives.

## 17 Profit forecast

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

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

	Cumulative Quarters	
	30 / 06 / 2023	30 / 6 / 2022
	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after (crediting) / charging		
Interest income	(26)	(33)
Interest expense	487	157
Lease interest expense	32	32
Other income including investment income	(43)	(95)
Depreciation of property, plant and equipment	1,428	1,448
Depreciation of right of use assets	65	99
Fair value loss on derivatives	(16)	-
Net (gain)/loss on foreign exchange	(22)	(88)

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.

**19 Income tax expense**

**Continuing Operations:**

	Individual Quarter		Cumulative Quarter	
	30 / 06 / 2023	30 / 6 / 2022	30 / 06 / 2023	30 / 6 / 2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	165	124	166	124
- under provision for prior year	6	-	6	-
	172	124	172	124

**20 Goodwill**

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

	As at	As at
	30 / 06 / 2023	30 / 6 / 2022
	RM'000	RM'000
51% of ENRA IOL Sdn. Bhd. ("EIOL")	-	400
	-	400

**21 Borrowings and debts securities**

Total borrowings of the Group were analysed as follows :

	Short Term Malaysian Ringgit RM'000	Long Term Malaysian Ringgit RM'000	Total Group RM'000
<b>As at 30 June 2023:</b>			
<b>Secured</b>			
Term loans	13,251	721	13,972
<b>As at 30 June 2022:</b>			
<b>Secured</b>			
Term loans	370	-	370

## 22 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 2023 are as follows:

	Currency	Notional value RM'000	Net Fair value gain/(loss) RM'000
<b>As at 30 June 2023:</b>			
Forward currency selling contracts less than 1 year	USD	1,895	(71)
Forward currency buying contracts more than 1 year	SGD	2,298	87
<b>Net fair value loss</b>			<b>16</b>
<b>As at 30 June 2022:</b>			
Forward currency buying contracts less than 1 year	USD	-	-
<b>Net fair value loss</b>			<b>-</b>

## 23 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 18.

## 24 Material litigation

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

## 25 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	
	30 / 06 / 2023	30 / 6 / 2022	30 / 06 / 2023	30 / 6 / 2022
Profit/(Loss) from continuing operation attributable to equity holders of the Company (RM'000)	(1,947)	(4,378)	(1,947)	(4,378)
	<u>(1,947)</u>	<u>(4,378)</u>	<u>(1,947)</u>	<u>(4,378)</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>
(a) Basic (Loss)/ Profit from operations	(1.44)	(3.25)	(1.44)	(3.25)
(b) Fully diluted (Loss)/ Profit from operations	(1.07)	(2.40)	(1.07)	(2.40)

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