

ENRA GROUP BERHAD
(Company No. 236800-T)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31 / 12 / 2017 RM ' 000	(Audited) As at 31 / 03 / 2017 RM ' 000
ASSETS		
Non-current assets		
Property, plant and equipment	3,918	3,716
Investment in an associate	-	-
Investment in a joint venture	-	-
Deferred tax assets	1,929	1,929
Goodwill	8,505	8,505
	<u>14,352</u>	<u>14,150</u>
Current assets		
Inventories	62,999	77,231
Trade and other receivables	46,615	81,499
Derivative assets	150	73
Current tax assets	958	1,286
Cash and cash equivalents	48,639	64,065
Assets held for sale	85,156	85,156
	<u>244,517</u>	<u>309,310</u>
TOTAL ASSETS	<u>258,869</u>	<u>323,460</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	144,744	144,744
Redeemable convertible preference shares equity	409	409
Reserves	9,012	7,592
Non-controlling interests	13,674	18,260
Total equity	<u>167,839</u>	<u>171,005</u>
Non-current liabilities		
Deferred tax liabilities	101	101
Trade and other payables	104	1,313
Borrowings	5,534	17,627
Redeemable convertible preference shares liability	689	648
	<u>6,428</u>	<u>19,689</u>
Current liabilities		
Trade and other payables	39,564	82,327
Derivative liabilities	-	-
Borrowings	41,943	45,575
Current tax liabilities	3,084	4,857
Liabilities held for sale	11	7
	<u>84,602</u>	<u>132,766</u>
Total liabilities	91,030	152,455
TOTAL EQUITY AND LIABILITIES	<u>258,869</u>	<u>323,460</u>
Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)	<u>1.14</u>	<u>1.13</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 2017 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD
(Company No. 236800-T)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarters	
	31 / 12 / 2017	31 / 12 / 2016	31 / 12 / 2017	31 / 12 / 2016
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Continuing operations				
Revenue	16,805	77,279	61,699	162,227
Cost of sales	(12,788)	(50,430)	(46,254)	(113,389)
Gross profit	4,017	26,849	15,445	48,838
Other operating income	432	849	6,453	1,150
Operating expenses	(7,067)	(7,219)	(19,970)	(20,411)
(Loss)/Profit from operations	(2,618)	20,479	1,928	29,577
Finance cost	(54)	(160)	(554)	(335)
Share of results of an associate	-	(15)	-	(15)
Share of results of a joint venture	-	-	-	-
(Loss)/Profit before taxation	(2,672)	20,304	1,374	29,227
Taxation	(257)	(5,803)	(1,331)	(8,645)
(Loss)/Profit for the financial period from continuing operations	(2,929)	14,501	43	20,582
Discontinued operations				
Profit for the financial period from discontinued operations, net of tax	1,064	577	2,365	2,076
(Loss)/Profit for the financial period	(1,865)	15,078	2,408	22,658
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	37	591	11	(460)
Total comprehensive (loss)/income for the financial period	(1,828)	15,669	2,419	22,198
(Loss)/Profit attributable to:-				
Equity holders of the Company	(1,441)	10,864	3,184	15,722
Non-controlling interests	(424)	4,214	(776)	6,936
	(1,865)	15,078	2,408	22,658
Total comprehensive (loss)/income attributable to:-				
Equity holders of the Company	(1,407)	11,305	3,195	15,368
Non-controlling interests	(421)	4,364	(776)	6,830
	(1,828)	15,669	2,419	22,198
(Loss)/Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):				
(a) Basic				
(Loss)/Profit from continuing operations	(1.86)	7.62	0.61	10.11
Profit from discontinued operations	0.79	0.43	1.75	1.54
	(1.07)	8.05	2.36	11.65
(b) Fully diluted				
	n/a	n/a	n/a	n/a

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2017 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD
(Company No. 236800-T)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							Total	Non-controlling Interests	Total Equity
	Non-distributable				Distributable					
	Share Capital	Redeemable Convertible Preference Shares	Share Premium	Capital Reserves	Foreign Currency Translation Reserve	Treasury Shares	Retained Earnings			
	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Financial period ended 31 December 2017										
As at 1 April 2017	144,744	409	-	275	72	(1,199)	8,444	152,745	18,260	171,005
Profit/(loss) for the financial period	-	-	-	-	-	-	3,184	3,184	(776)	2,408
Other comprehensive income, net of tax	-	-	-	-	11	-	-	11	-	11
Total comprehensive income/(loss)	-	-	-	-	11	-	3,184	3,195	(776)	2,419
Changes in equity interest in a subsidiary	-	-	-	-	-	-	(1,775)	(1,775)	1,775	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(5,585)	(5,585)
Total transactions with owners	-	-	-	-	-	-	(1,775)	(1,775)	(3,810)	(5,585)
As at 31 December 2017	144,744	409	-	275	83	(1,199)	9,853	154,165	13,674	167,839
Financial period ended 31 December 2016										
As at 1 April 2016	136,208	-	8,536	275	64	(1,199)	91,319	235,203	11,026	246,229
Profit for the financial period	-	-	-	-	-	-	15,722	15,722	6,936	22,658
Other comprehensive loss, net of tax	-	-	-	-	(354)	-	-	(354)	(106)	(460)
Total comprehensive (loss)/income	-	-	-	-	(354)	-	15,722	15,368	6,830	22,198
Acquisition of a subsidiary company - Non-controlling interest arising from business combinations	-	-	-	-	-	-	-	-	(491)	(491)
Issuance of shares by subsidiaries	-	-	-	-	-	-	-	-	89	89
Dividends to equity holders of the Company	-	-	-	-	-	-	(10,794)	(10,794)	-	(10,794)
Total transactions with owners	-	-	-	-	-	-	(10,794)	(10,794)	(402)	(11,196)
As at 31 December 2016	136,208	-	8,536	275	(290)	(1,199)	96,247	239,777	17,454	257,231

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 2017 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD
(Company No. 236800-T)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Cumulative quarters ended	
	31 / 12 / 2017	31 / 12 / 2016
	RM ' 000	RM ' 000
Cash flows from operating activities		
Profit before taxation		
- continuing operations	1,374	29,227
- discontinued operations	2,436	2,076
Adjustments for non-cash items:		
Derecognition of contingent consideration for business acquisition	(4,092)	-
Depreciation of property, plant and equipment	1,011	797
Fair value gain on derivatives	(77)	(122)
Gain on disposal of subsidiaries	-	(286)
Gain on disposal of property, plant and equipment	(63)	-
Unrealised loss/(gain) on foreign exchange	66	(216)
Redeemable convertible preference shares liability	41	-
Share of results of an associate	-	15
Share of results of a joint venture	-	-
Interest expense	2,455	2,365
Interest income	(1,290)	(476)
Operating profit before changes in working capital	1,861	33,380
Changes in working capital	9,250	5,012
Tax paid	(2,848)	(5,738)
Net cash generated from operating activities	8,263	32,654
Cash flows from investing activities		
Interest received	1,290	476
(Placement)/uplift of pledged deposits	(2,383)	539
Proceeds from disposal of property, plant and equipment	95	-
Acquisition of :		
- property, plant and equipment	(1,246)	(1,828)
- subsidiaries, net of cash	-	(2,817)
Issuance of shares by subsidiary to non-controlling interests	-	89
Net cash used in investing activities	(2,244)	(3,541)
Cash flows from financing activities		
Interest paid	(2,455)	(2,365)
Dividend paid to:		
- equity holders of the Company	-	(10,794)
- non-controlling interests	(5,585)	-
Net repayment of borrowings	(13,124)	(6,424)
Net cash used in financing activities	(21,164)	(19,583)
Net (decrease)/increase in cash and cash equivalents	(15,145)	9,530
Cash and cash equivalents at beginning of financial year	39,679	25,643
Effect of foreign currency exchange rate changes	(64)	(267)
Cash and cash equivalents at end of financial year	24,470	34,906
Cash and cash equivalents comprise:-		
Cash and bank balances	48,639	59,975
Less: Bank overdrafts	(18,056)	(20,697)
Fixed deposits pledged to licensed banks	(6,113)	(4,372)
	24,470	34,906

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 2017 and the accompanying explanatory notes to the interim financial statements.

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

1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2017.

2 Changes in Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 March 2017, 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 1 April 2017:

Title:	Effective Date
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 12 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	1 January 2017

The adoption of the above amendments to published standards does not give rise to any material effects to the Group's financial statements.

On 19 November 2011, the MASB issued the new accounting framework, the Malaysian Financial Reporting Standards ("MFRS") framework, which is effective for financial periods beginning on or after 1 January 2012 with the exception of entities that are within the scope of MFRS 141 Agriculture and IC interpretation 15 Agreements for Construction of Real Estate, including its parents, significant investors and venturers ('hereafter called Transitioning Entities'). Transitioning Entities are allowed to defer adoption of the new MFRS Framework until they are mandatory for them for annual periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRS framework for the financial periods as allowed. Accordingly, the Group shall prepare its first set of MFRS financial statements for the financial year ending 31 March 2019.

In adopting the new MFRS Framework, the Group would be required to apply the specific transition requirements in MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. In addition to the adoption of the new MFRS Framework, the following new MFRSs and amendments to the MFRSs are effective for annual periods beginning on or after 1 January 2018:

Title:	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4
MFRS 16 <i>Leases</i>	Paragraphs 46 and 48
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements, except for MFRS 15, MFRS 9 and MFRS 16.

3 Qualification of auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2017 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.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

5 Unusual items due to their nature, size and incidence

There were no items during the interim 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 18.

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.

7 Debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period under review.

8 Dividends paid to equity holders of the Company

There were no dividends declared yet in respect of the current financial year.

9 Segmental reporting

9 months financial period ended 31 December 2017

	Property development RM'000	Oil & gas services RM'000	Investment holdings and others RM'000	Consolidated RM'000
Result from continuing operations				
Revenue				
- External	15,348	46,351	-	61,699
Total revenue	<u>15,348</u>	<u>46,351</u>	<u>-</u>	<u>61,699</u>
Results				
Operating profit/(loss)	1,246	7,401	(7,972)	675
Interest income				1,253
Finance cost				(554)
Tax expense				(1,331)
Profit for the financial period from continuing operations				<u>43</u>
Results from discontinued operations				
Profit for the financial period from discontinued operations, net of tax				<u>2,365</u>
Profit for the financial period				<u><u>2,408</u></u>

9 months financial period ended 31 December 2016

	Property development RM'000	Oil & gas services RM'000	Investment holdings and others RM'000	Consolidated RM'000
Result from continuing operations				
Revenue				
- External	111,499	50,728	-	162,227
Total revenue	<u>111,499</u>	<u>50,728</u>	<u>-</u>	<u>162,227</u>
Results				
Operating profit/(loss)	29,384	6,434	(6,694)	29,124
Interest income				438
Finance cost				(335)
Tax expense				(8,645)
Profit for the financial period from continuing operations				<u>20,582</u>
Results from discontinued operations				
Profit for the financial period from discontinued operations, net of tax				<u>2,076</u>
Profit for the financial period				<u><u>22,658</u></u>

The results from discontinued operations above relates to investment properties business in respect of Holiday Plaza and Shamelin Business Centre that has been classified as non-current assets held for sale.

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.

10 Changes in the composition of the Group

- (a) On 6 October 2017, ENRA SPM Labuan Limited was incorporated with an issued and paid-up share capital of USD1 comprising 1 share held by ENRA SPM Sdn. Bhd., an indirect subsidiary of the Company, to undertake leasing business in, through and from the Federal Territory of Labuan.
- (b) On 30 January 2018, Barnes Avenue Limited ("BAL"), an indirect wholly owned subsidiary of the Company, has been struck off from the register of Companies House in the United Kingdom. BAL was incorporated in the United Kingdom with an issued and paid-up share capital of £1 on 15 October 2015 and has remained dormant from its incorporation until the date it was struck off.

11 Significant events during the year

- (a) On 15 May 2017, the Company had entered into 6 agreements to dispose of the Group's investment properties and investment assets, namely:
 - (i) A conditional sale and purchase agreement between the Company and Atar Irama Sdn Bhd ("Atar Irama") for the proposed disposal of 40 Retail units and 16 office units located in Holiday Plaza ("HP"), in Johor Bahru for a cash consideration of RM51,855,000 ("Proposed Disposal of Retail and Office Units at HP")("SPA 1");
 - (ii) A conditional sale and purchase agreement between the Company and Solid Hope Sdn Bhd ("Solid Hope") for the proposed disposal of a basement car park located in Holiday Plaza, in Johor Bahru for a cash consideration of RM28,000,000 ("Proposed Disposal of HP Car Park")("SPA 2");
 - (iii) A conditional sale and purchase agreement between the Company and Simfoni Cindai Sdn Bhd ("Simfoni Cindai") for the proposed disposal of 6 office units located at Shamelin Business Centre ("SBC"), in Kuala Lumpur for a cash consideration of RM5,160,000 ("Proposed Disposal of Shamelin Office Units")("SPA 3"); and
 - (iv) Three conditional share sale agreements between the Company and Atar Irama for the respective proposed disposal of the entire equity interests in the following wholly owned subsidiaries of the Company ("Proposed Disposal of Subsidiaries"):
 - (a) Nautical Gold Sdn Bhd ("NGSB") for a cash consideration of RM38,509 ("Proposed Disposal of NGSB")("SSA 1")
 - (b) Evergreen Sprint Sdn Bhd ("ESSB") for a cash consideration of RM45,570 ("Proposed Disposal of ESSB")("SSA 2")
 - (c) Essential Vista Sdn Bhd ("EVSB") for a cash consideration of RM49,842 ("Proposed Disposal of EVSB") ("SSA 3")

(The Proposed Disposal of Retail and Office Units at HP, Proposed Disposal of HP Car Park, Proposed Disposal of Shamelin Office Units and Proposed Disposal of Subsidiaries are collectively referred to as "Proposed Disposal").

The breakdown of the Total Disposal Consideration from the 6 agreements are set out below:

Agreements	Proposed Disposal	Subtotal	Total
		RM	RM
SPA 1	Proposed Disposal of Retail and Office Units of HP	51,855,000	
SPA 2	Proposed Disposal of HP Car Park	28,000,000	
SPA 3	Proposed Disposal of SBC	5,160,000	85,015,000
SSA 1	Proposed Disposal of NGSB	38,509	
SSA 2	Proposed Disposal of ESSB	45,570	
SSA 3	Proposed Disposal of EVSB	49,842	133,921
			<u>85,148,921</u>

The Board is of the opinion that the historical net rental income and rental yields of the HP Properties including 3 retail units held by the subsidiaries and SBC are low and the Proposed Disposal provides an avenue for the Group to realise substantial cash proceeds which is intended to be utilised in the following order:

- (i) Repayment of bank borrowings associated with the HP properties and SBC of RM36.53 million
- (ii) Defrayment of expenses relating to the Proposed Disposal including professional fees, payments to authorities and other incidental expenses of about RM1.50 million
- (iii) Investment in new businesses, projects and acquisitions of around RM32.12 million
- (iv) RM15.00 million fund for working capital including for rental, payroll costs, finance costs and other administrative cost

The Proposed Disposal becomes unconditional on 9 February 2018 with the shareholders' approval in the Extraordinary General Meetings ("EGM") on the even date.

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- (b) On 5 June 2017, ENRA Engineering & Construction Sdn. Bhd. ("EEC") [f.k.a. ENRA Pipeline Services Sdn. Bhd.], a wholly-owned subsidiary of the Company and Emrail Sdn. Bhd. had entered into a Shareholders Agreement to jointly establish a company to collaborate on providing total engineering solutions and services, civil works, rolling stock, project and asset management and maintenance services for rail and track transportation projects in Malaysia.

Subsequently, ENRA Emrail Sdn. Bhd. ("EEM") was established on 28 August 2017 with an issued and paid-up share capital of RM100 ordinary shares. EEC holds 51% of the shareholdings of EEM.

Based on the reserved matters of the Directors in the Shareholders Agreement, EEM falls under the definition of a jointly controlled entity under FRS 11: *Joint Arrangements*, because decisions regarding relevant activities need unanimous consent from all directors of EEM.

- (c) On 10 July 2017, ENRA SPM Sdn. Bhd., a 60%-owned subsidiary of the Company, has accepted a Letter of Award from PC Myanmar (Hong Kong) Limited ("PCML"), a subsidiary of PETRONAS, for the lease of a single point mooring system and storage tanker ("Facilities") to PCML, through an open tender process. The Facilities will provide condensate storing and offloading services for the Yetagun offshore gas field operated by PCML in the Andaman Sea off the coast of Myanmar.

The award is for a 4-year primary period with a total value of approximately USD48 million. The leasing period is estimated to commence upon the Facilities being commissioned and delivered to PCML tentatively in April 2018.

12 Changes in material contingent liabilities or assets

There were no material contingent liabilities or contingent assets since the last financial year ended 31 March 2017 other than the corporate guarantees given by the Company in favour of its subsidiaries as follows:

- (i) Corporate guarantees for licenced financial institutions
- (ii) Corporate guarantee to subsidiaries' customers
- (iii) Corporate guarantee to subsidiaries' vendors

13 Capital commitments

The capital commitments as at the end of the financial period ended 31 December 2017 is as follows:

	As at 31 / 12 / 2017 RM'000	As at 31 / 12 / 2016 RM'000
Authorised and contracted for		
- Purchase of land	6,813	-

14 Review of performance

For the financial quarter under review, the Group's business activities from continuing operations were in property development, oil and gas services and investment holdings. The Group's property development division comprises of the development of joint-venture property project in Taman Shamelin Perkasa and the redevelopment of a property in Central London. The Group's oil & gas services division, entails the trading and supply of specialty chemicals, provision of logistics and chartering services, engineering and fabrication works. The Group's investment holdings comprise of holding of investment in shares of subsidiaries, associate and joint venture as well as management services and provision of financial assistance for companies within the Group.

Quarter	Revenue (continuing operations)			Profit/(loss) before taxation (continuing operations)			
	Property development	Oil & gas services	Consolidated	Property development	Oil & gas services	Investment	
						holdings and others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FY2018:							
Quarter 1	777	23,169	23,946	716	3,343	(2,465)	1,594
Quarter 2	10,619	10,329	20,948	447	4,626	(2,621)	2,452
Quarter 3	3,952	12,853	16,805	1,199	(1,010)	(2,861)	(2,672)
	<u>15,348</u>	<u>46,351</u>	<u>61,699</u>	<u>2,362</u>	<u>6,959</u>	<u>(7,947)</u>	<u>1,374</u>
FY2017:							
Quarter 1	23,436	16,238	39,674	3,373	2,317	(2,150)	3,540
Quarter 2	30,142	15,132	45,274	4,600	2,849	(2,066)	5,383
Quarter 3	57,921	19,358	77,279	21,739	989	-2,424	20,304
	<u>111,499</u>	<u>50,728</u>	<u>162,227</u>	<u>29,712</u>	<u>6,155</u>	<u>(6,640)</u>	<u>29,227</u>

Q3 FY2018 v Q3 FY2017

The Group recorded loss before taxation from continuing operations of RM2.67 million as compared to a profit of RM20.30 million for the individual Q3 FY2017 as we have sold most of the units in Shamelin Star since its completion in December 2016. Hence, the lower revenue base for Q3 FY2018.

Loss before taxation of RM1.01 million in oil & gas services division was due to lower profit recorded by ENRA Kimia Sdn Bhd ("EKSB") due to seasonal sales.

Investment holdings division showed a higher loss by RM0.44 million mainly from higher staff costs resulting from increment and higher number of headcounts necessary to support the long term growth of the Group.

YTD FY2018 v YTD FY2017

For the 9 months period ended 31 December 2017, the Group recorded a lower profit before taxation from continuing operations of RM1.37 million as compared to profit before taxation of RM29.23 million in last financial year, mainly caused by lower sales of residential units of Shamelin Star since its completion in December 2016.

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

Q3 FY2018 v Q2 FY2018

For the financial quarter under review, the Group's continuing operations recorded a loss before taxation of RM2.67 million as compared to a profit before taxation of RM2.45 million in the immediate preceding quarter, mainly due to lower profit recorded by EKSB as well as the one off derecognition of contingent consideration payable for acquisition of EEFAB of RM4.09 million in preceding quarter.

16 Future prospects

For the remainder of FY2018, the Group is committed to complete the sales of its remaining unsold units in Shamelin Star and the sale and development of Portland Chambers in London and actively looking to replenish its land bank and development opportunities for its property development division.

Continuous efforts will be made to further grow the oil & gas services division including the successful chemical trading business.

17 Profit forecast

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

18 Profit for the financial period for continuing operations

	Current Quarter	Cumulative Quarter
	31 / 12 / 2017	31 / 12 / 2017
	RM'000	RM'000
(Loss)/Profit for the financial period for continuing operations is arrived at after (crediting) / charging		
Interest income	(324)	(1,253)
Interest expense	54	554
Other income including investment income	(115)	(193)
Derecognition of contingent consideration for business acquisition	-	(4,092)
Depreciation of property, plant and equipment	464	976
Rental of:		
- premises	173	550
- equipment	52	152
Unrealised loss on foreign exchange	1,314	439
Realised gain from foreign exchange	(1,014)	(1,215)
Fair value gain on derivatives	(232)	(77)

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

	Individual Quarter		Cumulative Quarter	
	31 / 12 / 2017 RM'000	31 / 12 / 2016 RM'000	31 / 12 / 2017 RM'000	31 / 12 / 2016 RM'000
Malaysian income tax :-				
- current taxation	332	5,928	1,406	8,770
- overprovision for prior year	(75)	-	(75)	-
- deferred taxation	-	(125)	-	(125)
	<u>257</u>	<u>5,803</u>	<u>1,331</u>	<u>8,645</u>

The Group's effective tax rate is higher than the statutory tax rate as certain expenses are not allowable for tax deductions and some companies registered loss before taxation.

20 Status of corporate proposals announced but not completed as at 21 February 2018

The corporate proposals announced but not yet completed are as follows:

- (i) Acquisition of land in Wilayah Persekutuan Labuan of RM7.57 million (as announced on 8 March 2017) Pending the fulfillment of the conditions precedent of the sale and purchase agreement by 8 June 2018
- (ii) Proposed disposal of the Group's investment properties and investment assets (Note 11(a)) The deal is now unconditional following the shareholders approval in the Extraordinary General Meeting ("EGM") on 9 February 2018, with completion date being extended to 28 February 2018
- (iii) Proposed Employees Share Scheme ("ESS") up to 15% of the total number of issued shares of the Company (excluding treasury shares) to eligible persons (as announced on 6 October 2017) Proposed ESS has been approved by the majority of the shareholders of the Company at the EGM on 9 February 2018 and to be implemented by the Company.

21 Goodwill

The goodwill arised from the acquisition of 75% of EEFAB on 12 May 2016. Goodwill arising from this business combination has been allocated to engineering and fabrication unit within the oil & gas services division for annual impairment testing.

The annual impairment review conducted at the year end is performed by comparing the carrying amount of the unit's carrying amount and its recoverable amount determined based on value in use calculations using cash flow projections covering five years period. There is no impairment loss to be recognised in the current financial year.

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 December 2017:							
Secured							
Bank overdrafts	-	18,056	-	-	-	18,056	18,056
Term loans	8,694	8,343	-	4,762	8,694	13,105	21,799
Hire-purchase and lease creditors	-	200	-	772	-	972	972
	<u>8,694</u>	<u>26,599</u>	<u>-</u>	<u>5,534</u>	<u>8,694</u>	<u>32,133</u>	<u>40,827</u>
Unsecured							
Trade facilities	1,989	4,661	-	-	1,989	4,661	6,650
	<u>10,683</u>	<u>31,260</u>	<u>-</u>	<u>5,534</u>	<u>10,683</u>	<u>36,794</u>	<u>47,477</u>
As at 31 December 2016:							
Secured							
Bank overdrafts	-	20,697	-	-	-	20,697	20,697
Term loans	10,572	8,079	7,929	13,369	18,501	21,448	39,949
Hire-purchase and lease creditors	-	205	-	769	-	974	974
	<u>10,572</u>	<u>28,981</u>	<u>7,929</u>	<u>14,138</u>	<u>18,501</u>	<u>43,119</u>	<u>61,620</u>
Unsecured							
Trade facilities	2,532	-	-	-	2,532	-	2,532
	<u>13,104</u>	<u>28,981</u>	<u>7,929</u>	<u>14,138</u>	<u>21,033</u>	<u>43,119</u>	<u>64,152</u>

The decrease in bank borrowings is mainly on repayment of term loan, lower bank overdrafts withdrawn in December 2017 and offset by higher trade line utilisation by oil & gas services division.

23 Derivatives

The Group entered into forward currency selling contracts to manage its foreign currency exchange risk.

Details of the Group's derivatives financial instruments outstanding as at 31 December 2017 are as follows:

	Nominal value	Fair value
	GBP'000	gain
		RM'000
Forward currency selling contracts less than 1 year		
As at 31 December 2017	7,164	77
As at 31 December 2016	2,000	122

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.

25 Material litigation

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

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 year, excluding any treasury shares held by the Company.

	Quarter Ended		Cumulative Quarter Ended	
	31 / 12 / 2017	31 / 12 / 2016	31 / 12 / 2017	31 / 12 / 2016
(Loss)/Profit attributable to equity holders of the Company (RM'000)				
- continuing operations	(2,505)	10,287	819	13,646
- discontinued operations	1,064	577	2,365	2,076
	<u>(1,441)</u>	<u>10,864</u>	<u>3,184</u>	<u>15,722</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	(1,199)	(1,199)	(1,199)	(1,199)
	<u>135,009</u>	<u>135,009</u>	<u>135,009</u>	<u>135,009</u>
Basic earnings per share (sen) :				
- continuing operations	(1.86)	7.62	0.61	10.11
- discontinued operations	0.79	0.43	1.75	1.54
	<u>(1.07)</u>	<u>8.05</u>	<u>2.36</u>	<u>11.65</u>

There are no diluted earnings per share as the Company does not have any potential dilutive ordinary shares outstanding as at 31 December 2017.

27 Status of utilisation of proceeds raised from corporate proposal

During the current 9 months financial period, there is no completed corporate proposals to report on the status of utilisation of proceeds.

28 Review by external auditors

The interim financial statements have been reviewed by the external auditors in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

By Order of the Board
ENRA Group Berhad