

**ENRA GROUP BERHAD**  
**(Company No. 236800-T)**

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 / 12 / 2018 RM ' 000	As at 31 / 3 / 2018 RM ' 000 (Restated)	As at 1 / 4 / 2017 RM ' 000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14,580	4,531	3,716
Right of use assets	93,299	2,067	2,526
Investment in an associate	22	-	-
Investment in a joint venture	-	-	-
Other investments	22	-	-
Deferred tax assets	113	117	1,929
Goodwill	16,886	8,505	8,505
	<u>124,922</u>	<u>15,220</u>	<u>16,676</u>
<b>Current assets</b>			
Inventories	66,170	73,594	77,231
Trade and other receivables	48,312	62,970	72,589
Contract assets	1,140	5,977	8,904
Derivative assets	-	111	73
Current tax assets	2,370	469	1,286
Cash and cash equivalents	48,611	46,189	64,065
Assets held for sale	-	85,156	85,156
	<u>166,603</u>	<u>274,466</u>	<u>309,304</u>
<b>TOTAL ASSETS</b>	<b><u>291,525</u></b>	<b><u>289,686</u></b>	<b><u>325,980</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	144,744	144,744	144,744
Redeemable convertible preference shares equity	3,133	409	409
Reserves	828	6,168	7,512
	<u>148,705</u>	<u>151,321</u>	<u>152,665</u>
<b>Non-controlling interests</b>	<u>122</u>	<u>13,724</u>	<u>18,258</u>
<b>Total equity</b>	<u>148,827</u>	<u>165,045</u>	<u>170,923</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	222	243	101
Trade and other payables	2,649	104	1,313
Borrowings	381	3,398	17,627
Leasing liabilities	59,979	1,233	1,588
Redeemable convertible preference shares liability	5,246	703	648
	<u>68,477</u>	<u>5,681</u>	<u>21,277</u>
<b>Current liabilities</b>			
Trade and other payables	31,341	44,514	82,327
Derivative liabilities	134	-	-
Borrowings	4,466	72,464	45,575
Leasing liabilities	34,634	931	1,014
Current tax liabilities	3,646	1,044	4,857
Liabilities held for sale	-	7	7
	<u>74,221</u>	<u>118,960</u>	<u>133,780</u>
<b>Total liabilities</b>	<u>142,698</u>	<u>124,641</u>	<u>155,057</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>291,525</u></b>	<b><u>289,686</u></b>	<b><u>325,980</u></b>
<b>Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)</b>	<b><u>1.10</u></b>	<b><u>1.12</u></b>	<b><u>1.13</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 2018 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 236800-T)**

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

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

	Individual Quarter		Cumulative Quarters	
	31 / 12 / 2018	31 / 12 / 2017	31 / 12 / 2018	31 / 12 / 2017
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
		(Restated)		(Restated)
<b>Continuing operations</b>				
Revenue	33,678	16,805	136,687	61,699
Cost of sales	(26,330)	(12,788)	(108,964)	(46,254)
Gross profit	7,348	4,017	27,723	15,445
Other operating income	1,251	432	2,562	6,453
Operating expenses	(7,875)	(7,343)	(23,013)	(20,423)
Profit from operations	724	(2,894)	7,272	1,475
Lease interest expense	(919)	(26)	(2,799)	(88)
Finance cost	(295)	(54)	(1,489)	(554)
Share of results of an associate	(4)	-	22	-
Share of results of a joint venture	-	-	-	-
(Loss)/Profit before taxation	(494)	(2,974)	3,006	833
Taxation	(410)	(257)	(2,701)	(1,331)
(Loss)/Profit for the financial period from continuing operations	(904)	(3,231)	305	(498)
<b>Discontinued operations</b>				
(Loss)/Profit for the financial period from discontinued operations, net of tax	(96)	1,064	895	2,365
(Loss)/Profit for the financial period	(1,000)	(2,167)	1,200	1,867
<b>Other comprehensive (loss)/income, net of tax</b>				
Foreign currency translation differences for foreign operations	195	37	213	11
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(805)</b>	<b>(2,130)</b>	<b>1,413</b>	<b>1,878</b>
<b>(Loss)/Profit attributable to:-</b>				
Equity holders of the Company	(1,164)	(1,668)	523	2,774
Non-controlling interests	164	(499)	677	(907)
	(1,000)	(2,167)	1,200	1,867
<b>Total comprehensive (loss)/income attributable to:-</b>				
Equity holders of the Company	(975)	(1,634)	731	2,785
Non-controlling interests	170	(496)	682	(907)
	(805)	(2,130)	1,413	1,878
<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 continuing operations	(0.79)	(2.02)	(0.28)	0.30
Profit from discontinued operations	(0.07)	0.79	0.66	1.75
	(0.86)	(1.23)	0.38	2.05
<b>(b) Fully diluted</b>				
	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 2018 and the accompanying explanatory notes to the interim financial statements.*

**ENRA GROUP BERHAD**  
**(Company No. 236800-T)**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

**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	RM ' 000	RM ' 000	RM ' 000
<b>Financial period ended 31 December 2018</b>										
As at 1 April 2018, as previously reported	144,744	409	-	275	92	(1,199)	7,690	152,011	13,725	165,736
Effect of adopting MFRS 1*	-	-	-	-	-	-	(690)	(690)	(1)	(691)
As at 1 April 2018, as restated	144,744	409	-	275	92	(1,199)	7,000	151,321	13,724	165,045
Profit for the financial period	-	-	-	-	-	-	523	523	677	1,200
Other comprehensive income/(loss), net of tax	-	-	-	-	208	-	-	208	5	213
<b>Total comprehensive income</b>	-	-	-	-	<b>208</b>	-	<b>523</b>	<b>731</b>	<b>682</b>	<b>1,413</b>
Dividends to equity holders of the Company	-	-	-	-	-	-	(6,071)	(6,071)	-	(6,071)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(11,577)	(11,577)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(2,707)	(2,707)
Issuance of redeemable convertible preference shares	-	2,724	-	-	-	-	-	2,724	-	2,724
<b>Total transactions with owners</b>	-	<b>2,724</b>	-	-	-	-	<b>(6,071)</b>	<b>(3,347)</b>	<b>(14,284)</b>	<b>(17,631)</b>
As at 31 December 2018	144,744	3,133	-	275	300	(1,199)	1,452	148,705	122	148,827
<b>Financial period ended 31 December 2017</b>										
As at 1 April 2017, as previously reported	144,744	409	-	275	72	(1,199)	8,444	152,745	18,260	171,005
Effect of adopting MFRS 1*	-	-	-	-	-	-	(80)	(80)	(2)	(82)
As at 1 April 2017, as restated	144,744	409	-	275	72	(1,199)	8,364	152,665	18,258	170,923
Profit/(Loss) for the financial period	-	-	-	-	-	-	2,774	2,774	(907)	1,867
Other comprehensive loss, net of tax	-	-	-	-	11	-	-	11	-	11
<b>Total comprehensive (loss)/income</b>	-	-	-	-	<b>11</b>	-	<b>2,774</b>	<b>2,785</b>	<b>(907)</b>	<b>1,878</b>
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	(1,775)	(1,775)	1,775	-
Dividends to equity holders of the Company	-	-	-	-	-	-	-	-	(5,585)	(5,585)
<b>Total transactions with owners</b>	-	-	-	-	-	-	<b>(1,775)</b>	<b>(1,775)</b>	<b>(3,810)</b>	<b>(5,585)</b>
As at 31 December 2017	144,744	409	-	275	83	(1,199)	9,363	153,675	13,541	167,216

\* Effects of adopting MFRS 1 includes the effects of adopting MFRS 9, MFRS 15 and MFRS 16

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 2018 and the accompanying explanatory notes to the interim financial statements.

**ENRA GROUP BERHAD**  
**(Company No. 236800-T)**

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative quarters ended</b>	
	<b>31 / 12 / 2018</b>	<b>31 / 12 / 2017</b>
	<b>RM ' 000</b>	<b>RM ' 000</b>
		<b>(Restated)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation		
- continuing operations	3,006	833
- discontinued operations	895	2,436
Adjustments for non-cash items:		
Impairment loss on trade receivables	-	525
Reversal of impairment loss on trade receivables	(186)	-
Depreciation of property, plant and equipment	759	1,011
Depreciation of right of use assets	19,400	805
Fair value loss/(gain) on derivatives	245	(77)
Loss on disposal of subsidiaries	472	-
Loss/(Gain) on disposal of property, plant and equipment	55	(63)
Unrealised loss on foreign exchange	2,321	439
Unwinding of redeemable convertible preference shares discount	228	41
Derecognition of contingent consideration for business acquisition	-	(4,092)
Share of results of an associate	(21)	-
Share of results of a joint venture	-	-
Lease interest expense	2,799	88
Interest expense	1,654	2,455
Interest income	(753)	(1,364)
Operating profit before changes in working capital	30,874	3,037
Changes in working capital	92,706	8,877
Tax paid	(2,014)	(2,848)
<b>Net cash generated from operating activities</b>	<b>121,566</b>	<b>9,066</b>
<b>Cash flows from investing activities</b>		
Interest received	753	1,364
Placement of pledged deposits	(577)	(2,383)
Proceeds from disposal of property, plant and equipment	257	95
Net outflows on disposal of a subsidiary	(2,445)	-
Acquisition of:		
- right of use assets	(23)	-
- property, plant and equipment	(10,085)	(1,246)
- subsidiaries, net of cash	(3,388)	-
<b>Net cash used in investing activities</b>	<b>(15,508)</b>	<b>(2,170)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,654)	(2,455)
Dividend paid to:		
- equity holders of the Company	(6,071)	-
- non-controlling interests	(11,577)	(5,585)
Issuance of redeemable convertible preference shares	7,039	-
Net repayment of borrowings	(54,267)	(13,124)
Repayment of lease liabilities MFRS 16	(20,984)	(877)
<b>Net cash used in financing activities</b>	<b>(87,514)</b>	<b>(22,041)</b>
Net increase/(decrease) in cash and cash equivalents	18,544	(15,145)
Cash and cash equivalents at beginning of financial year	21,970	39,679
Effect of foreign currency exchange rate changes	(37)	(64)
Cash and cash equivalents at end of financial year	<b>40,477</b>	<b>24,470</b>
Cash and cash equivalents comprise:-		
Cash and bank balances	48,611	48,639
Less: Bank overdrafts	(1,759)	(18,056)
Fixed deposits pledged to licensed banks	(6,375)	(6,113)
	<b>40,477</b>	<b>24,470</b>

*The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2018 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 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 2018.

**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 2018, except for the impact of migration to Malaysian Financial Reporting Standards ("MFRSs") as discussed below.

**(a) Transition to the MFRS Framework**

The Group is a transitioning entity as defined by the Malaysian Accounting Standards Board and this interim financial report is prepared in accordance with the MFRS, including the MFRS 1 *First-time Adoption of MFRS* ("MFRS 1") which is effective for annual periods beginning on or after 1 January 2016.

In the previous financial years, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia. As required by MFRS 1, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2018 and throughout all the financial years presented, as if these policies had always been in effect. Comparative information in this interim financial report have been restated, where applicable, to give effect to these changes and the financial impact on the transition from FRS to MFRS are disclosed as follows:

(i) MFRS 1

MFRS 1 mandatory exceptions had no significant impact to the Group as the basis adopted are consistent with FRS.

(ii) MFRS 9 *Financial Instruments*

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with MFRS 9. In accordance with the transition requirements under MFRS 9, comparatives are restated and the financial impact on the adoption of this Standard is recognised in retained earnings as at 1 April 2017.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(a) Classification of financial assets and liabilities

Financial assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value through profit and loss ("FVTPL"); and
- Those to be measured at amortised cost.

The classification above depends on the Group's business model for managing the financial assets and the contractual terms of cash flows. The following summarises the key changes:

- Investment in short-term funds, including derivatives, classified as at FVTPL. These are held within a business model whose objective is held to collect and sell that satisfy the solely payments of principal and interest test. Accordingly, these financial assets will be measured at FVTPL upon the application of MFRS 9.
- All other financial assets will continue to be measured on the same basis as is currently adopted under MFRS 139 *Financial Instruments: Recognition and Measurement* ("MFRS 139").

Financial liabilities

There is no impact on the classification and measurement of the Group's financial liabilities as there are measured at amortised cost except for derivative liabilities at FVTPL.

(b) Impairment of financial assets

MFRS 9 requires impairment assessments to be based on an Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139. The Group applied the simplified approach prescribed by MFRS 9, which requires expected lifetime losses to be recognised on all receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

(iii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related interpretations.

The significant differences with existing accounting principles were identified as follows:

(a) Accounting for separate performance obligations arising from the sale of goods and services

The application of MFRS 15 resulted in the identification of various separate performance obligations which previously had been bundled. The performance obligation is separated if the performance obligation is capable of being distinct and if they are distinct within the context of the contract. In the context of sale of properties by a property developer, among the performance obligations to be identified separately are goods, common facilities, free maintenance fees, legal and stamp duties paid on behalf of house buyers. Revenue will then be allocated to the respective performance obligations and recognised when controls in relation to the performance obligations have been transferred. This could affect the timing of the recognition of revenue going forward.

(b) Determining the transaction price

In determining the transaction price, the Group assesses the estimated transaction price based on the most likely amount, constrained up to the amount that is highly probable that would not reverse in the future.

(c) Timing of recognition for the sales of development properties

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset may transfer over time or at a point in time. For properties sold in accordance with the Housing Development (Control and Licensing) Act 1966 ("HDA"), control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Therefore revenue from sale of properties under the HDA, without a secured financing arrangement is recognised at a point in time if it is not probable that the Group will collect the consideration of the sale of the property to which it is entitled. Sale of properties that is not governed under the HDA, will be assessed on a contract by contract basis, to establish the Group's enforceable right to payment for performance completed to date.

(d) Accounting for incremental costs of obtaining a contract

The Group's existing accounting policy is to expense off costs in obtaining a contract, which mainly include legal fees and sales commissions, to obtain the contracts. Under MFRS 15, these costs are recognised as an asset as the Group expects to recover those costs. These capitalised costs will then be amortised over the duration of the contract.

(e) Presentation of contract assets and contract liabilities

MFRS 15 requires separate presentation of contract assets and contract liabilities in the balance sheet. This will result in some reclassifications as of 1 April 2018, which are currently included in other balance sheet line items. Contract assets identified are mainly the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over cumulative billings to-date whilst contract liability is the obligation to transfer goods or services to the customers for which the Group has received the consideration or have billed the customers.

The Group adopts the standard retrospectively and since major construction contracts and the property development project in Malaysia have been completed prior to 31 March 2018, there is no significant impact on the retained earnings on that date except for the reclassification of amount due from contract customers to contract assets.

Other MFRSs, Amendments to MFRSs and IC Interpretations that are issued and effective for financial year ending 31 March 2019 are as follows:

<b>Title:</b>	<b>Effective Date</b>
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 2 <i>Share-based Payment – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 4 <i>Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)</i>	1 January 2018
Amendments to MFRS 140 <i>Investment Property – Transfers of Investment Property</i>	1 January 2018

The adoption of the above pronouncements has no significant impact to the financial statements of the Group in the period of initial application.

**(b) New MFRS that has been issued but not yet effective which has been early adopted by the Group**

MFRS 16 Leases (effective for financial year beginning on or after 1 January 2019)

MFRS 16 supersedes MFRS 117 *Leases* and its related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet).

(i) Lessee

At the commencement date of a lease, a lessee will recognise a lease liability to make lease payments and an asset representing the "right of use" of the underlying asset during the lease term. Subsequently, the "right of use" asset is depreciated in accordance with the principle in MFRS 116 *Property, Plant and Equipment* and the lease liability is accreted over time with interest expense recognised in the profit or loss.

(ii) Lessor

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The Group has early adopt MFRS 16, which has been applied retrospectively.

**(c) New MFRSs that have been issued but not yet effective**

The standards and amendments that are issued but not yet effective up to the date of this interim report are disclosed below:

<b>Title:</b>	<b>Effective Date</b>
Amendments to MFRSs <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 3 <i>Business Combinations - Definition of a Business</i>	1 January 2020
Amendments to MFRS 9 <i>Financial Instruments - Prepayment Features With Negative Compensation</i>	1 January 2019
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Materials</i>	1 January 2020
Amendments to MFRS 119 <i>Employee Benefits</i>	1 January 2019
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures - Long Term Interests in Associates and Joint Ventures</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021

(d) The impacts of the adoption by retrospective approach to the Group's financial statements are as follow:

(i) Reconciliation of profit or loss and other comprehensive income

	Individual Quarter 31 December 2017			Cumulative Quarters 31 December 2017		
	Previously stated under FRS	Effects of transition to MFRSs	Restated under MFRS	Previously stated under FRS	Effects of transition to MFRSs	Restated under MFRS
	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000	RM ' 000
<b>Continuing operations</b>						
Revenue	16,805	-	16,805	61,699	-	61,699
Cost of sales	(12,788)	-	(12,788)	(46,254)	-	(46,254)
Gross profit	4,017	-	4,017	15,445	-	15,445
Other operating income	432	-	432	6,453	-	6,453
Operating expenses	(7,067)	(276)	(7,343)	(19,970)	(453)	(20,423)
(Loss)/Profit from operations	(2,618)	(276)	(2,894)	1,928	(453)	1,475
Lease interest expense	-	(26)	(26)	-	(88)	(88)
Finance cost	(54)	-	(54)	(554)	-	(554)
Share of results of an associate	-	-	-	-	-	-
Share of results of a joint venture	-	-	-	-	-	-
(Loss)/Profit before taxation	(2,672)	(302)	(2,974)	1,374	(541)	833
Taxation	(257)	-	(257)	(1,331)	-	(1,331)
(Loss)/Profit for the financial period from continuing operations	(2,929)	(302)	(3,231)	43	(541)	(498)
<b>Discontinued operations</b>						
Profit for the financial period from discontinued operations, net of tax	1,064	-	1,064	2,365	-	2,365
(Loss)/Profit for the financial period	(1,865)	(302)	(2,167)	2,408	(541)	1,867
<b>Other comprehensive (loss)/income, net of tax</b>						
Foreign currency translation differences for foreign operations	37	-	37	11	-	11
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(1,828)</b>	<b>(302)</b>	<b>(2,130)</b>	<b>2,419</b>	<b>(541)</b>	<b>1,878</b>
(Loss)/Profit attributable to:-						
Equity holders of the Company	(1,441)	(227)	(1,668)	3,184	(410)	2,774
Non-controlling interests	(424)	(75)	(499)	(776)	(131)	(907)
	(1,865)	(302)	(2,167)	2,408	(541)	1,867
Total comprehensive (loss)/income attributable to:-						
Equity holders of the Company	(1,407)	(227)	(1,634)	3,195	(410)	2,785
Non-controlling interests	(421)	(75)	(496)	(776)	(131)	(907)
	(1,828)	(302)	(2,130)	2,419	(541)	1,878
<b>Earnings per share after (deducting the treasury shares) attributable to equity holders of the Company (sen):</b>						
Basic						
(Loss)/Profit from continuing operations	(1.86)	(0.16)	(2.02)	0.61	(0.31)	0.30
Profit from discontinued operations	0.79	-	0.79	1.75	-	1.75
	(1.07)	(0.16)	(1.23)	2.36	(0.31)	2.05



**ENRA GROUP BERHAD**  
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

(ii) Reconciliation of financial position and equity

	As at 1 April 2017			As at 31 March 2018		
	Previously stated under FRS RM ' 000	Effects of transition to MFRSs RM ' 000	Restated under MFRS RM ' 000	Previously stated under FRS RM ' 000	Effects of transition to MFRSs RM ' 000	Restated under MFRS RM ' 000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	3,716	-	3,716	4,531	-	4,531
Right of use assets	-	2,526	2,526	-	2,067	2,067
Investment in an associate	-	-	-	-	-	-
Investment in a joint venture	-	-	-	-	-	-
Deferred tax assets	1,929	-	1,929	117	-	117
Goodwill	8,505	-	8,505	8,505	-	8,505
	<u>14,150</u>	<u>2,526</u>	<u>16,676</u>	<u>13,153</u>	<u>2,067</u>	<u>15,220</u>
<b>Current assets</b>						
Inventories	77,231	-	77,231	73,594	-	73,594
Trade and other receivables	81,499	(8,910)	72,589	69,541	(6,571)	62,970
Contract assets	-	8,904	8,904	-	5,977	5,977
Derivative assets	73	-	73	111	-	111
Current tax assets	1,286	-	1,286	469	-	469
Cash and cash equivalents	64,065	-	64,065	46,189	-	46,189
Assets held for sale	85,156	-	85,156	85,156	-	85,156
	<u>309,310</u>	<u>(6)</u>	<u>309,304</u>	<u>275,060</u>	<u>(594)</u>	<u>274,466</u>
<b>TOTAL ASSETS</b>	<b>323,460</b>	<b>2,520</b>	<b>325,980</b>	<b>288,213</b>	<b>1,473</b>	<b>289,686</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to equity holders of the Company</b>						
Share capital	144,744	-	144,744	144,744	-	144,744
RCPS equity	409	-	409	409	-	409
Reserves	7,592	(80)	7,512	6,858	(690)	6,168
	<u>152,745</u>	<u>(80)</u>	<u>152,665</u>	<u>152,011</u>	<u>(690)</u>	<u>151,321</u>
<b>Non-controlling interests</b>	<u>18,260</u>	<u>(2)</u>	<u>18,258</u>	<u>13,725</u>	<u>(1)</u>	<u>13,724</u>
<b>Total equity</b>	<u>171,005</u>	<u>(82)</u>	<u>170,923</u>	<u>165,736</u>	<u>(691)</u>	<u>165,045</u>
<b>Non-current liabilities</b>						
Deferred tax liabilities	101	-	101	243	-	243
Trade and other payables	1,313	-	1,313	104	-	104
Borrowings	17,627	-	17,627	3,398	-	3,398
Leasing liabilities	-	1,588	1,588	-	1,233	1,233
RCPS liability	648	-	648	703	-	703
	<u>19,689</u>	<u>1,588</u>	<u>21,277</u>	<u>4,448</u>	<u>1,233</u>	<u>5,681</u>
<b>Current liabilities</b>						
Trade and other payables	82,327	-	82,327	44,514	-	44,514
Borrowings	45,575	-	45,575	72,464	-	72,464
Leasing liabilities	-	1,014	1,014	-	931	931
Current tax liabilities	4,857	-	4,857	1,044	-	1,044
Liabilities held for sale	7	-	7	7	-	7
	<u>132,766</u>	<u>1,014</u>	<u>133,780</u>	<u>118,029</u>	<u>931</u>	<u>118,960</u>
<b>Total liabilities</b>	<u>152,455</u>	<u>2,602</u>	<u>155,057</u>	<u>122,477</u>	<u>2,164</u>	<u>124,641</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>323,460</b>	<b>2,520</b>	<b>325,980</b>	<b>288,213</b>	<b>1,473</b>	<b>289,686</b>
<b>Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)</b>						
	<u>1.13</u>	<u>-</u>	<u>1.13</u>	<u>1.13</u>	<u>(0.01)</u>	<u>1.12</u>

**ENRA GROUP BERHAD**  
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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

(iii) Reconciliation of cash flow

	<b>Cumulative Quarters 31 December 2017</b>		
	<b>Previously stated under FRS RM ' 000</b>	<b>Effects of transition to MFRSs RM ' 000</b>	<b>Restated under MFRS RM ' 000</b>
<b>Cash flows from operating activities</b>			
Profit before taxation			
- continuing operations	1,374	(541)	833
- discontinued operations	2,436	-	2,436
<u>Adjustments for non-cash items:</u>			
Impairment loss on trade receivables	-	525	525
Depreciation of property, plant and equipment	1,011	-	1,011
Depreciation of right of use assets	-	805	805
Fair value loss on derivatives	(77)	-	(77)
Gain on disposal of property, plant and equipment	(63)	-	(63)
Unrealised gain on foreign exchange	439	-	439
Unwinding of redeemable convertible preference shares discount	41	-	41
Derecognition of contingent consideration for business acquisition	(4,092)	-	(4,092)
Share of results of an associate	-	-	-
Share of results of a joint venture	-	-	-
Lease interest expense	-	88	88
Interest expense	2,455	-	2,455
Interest income	(1,364)	-	(1,364)
Operating profit before changes in working capital	2,160	877	3,037
Changes in working capital	8,877	-	8,877
Tax paid	(2,848)	-	(2,848)
<b>Net cash generated from operating activities</b>	<b>8,189</b>	<b>877</b>	<b>9,066</b>
<b>Cash flows from investing activities</b>			
Interest received	1,364	-	1,364
Placement of pledged deposits	(2,383)	-	(2,383)
Proceeds from disposal of property, plant and equipment	95	-	95
Acquisition of property, plant and equipment	(1,246)	-	(1,246)
<b>Net cash used in investing activities</b>	<b>(2,170)</b>	<b>-</b>	<b>(2,170)</b>
<b>Cash flows from financing activities</b>			
Interest paid	(2,455)	-	(2,455)
Dividend paid to:			
- non-controlling interests	(5,585)	-	(5,585)
Net repayment of borrowings	(13,124)	-	(13,124)
Repayment of lease liabilities MFRS 16	-	(877)	(877)
<b>Net cash used in financing activities</b>	<b>(21,164)</b>	<b>(877)</b>	<b>(22,041)</b>
Net decrease in cash and cash equivalents	(15,145)	-	(15,145)
Cash and cash equivalents at beginning of financial year	39,679	-	39,679
Effect of foreign currency exchange rate changes	(64)	-	(64)
Cash and cash equivalents at end of financial year	<b>24,470</b>	<b>-</b>	<b>24,470</b>

**3 Qualification of auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 March 2018 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 20.

**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 dividend paid during the quarter ended 31 December 2018.

The Company paid first interim single tier dividend of 4.5 sen per share of RM6.07 million during current financial year on 6 August 2018 (Note 30).

**9 Revenue**

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

	<b>31 / 12 / 2018</b>	<b>31 / 12 / 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Products or services:</b>		
Sale of completed properties	2,891	15,348
Sale of trading goods	86,771	32,902
Contract revenue	726	11,549
Services rendered:		
- logistic	8,706	1,882
- energy	37,593	18
	<u>136,687</u>	<u>61,699</u>
<b>Timing of revenue recognition:</b>		
At a point in time	100,668	50,150
Over time	36,019	11,549
	<u>136,687</u>	<u>61,699</u>

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

**10 Segmental information**

	Property development RM'000	Energy services RM'000	Engineering, construction and fabrication RM'000	Investment holdings and others RM'000	Consolidated RM'000
<b>Financial year ended 31 December 2018</b>					
<b>Result from continuing operations:</b>					
<b>Revenue</b>					
- External	2,891	129,862	3,934	-	136,687
<b>Results</b>					
Operating profit/(loss)	1,444	15,684	2,548	(13,121)	6,555
Interest income					739
Lease interest expense					(2,799)
Finance cost					(1,489)
Tax expense					(2,701)
Profit for the financial period from continuing operations					305
<b>Results from discontinued operations</b>					
Profit for the financial period from discontinued operations, net of tax					895
Profit for the financial period					1,200

	Property development RM'000 (Restated)	Energy services RM'000 (Restated)	Engineering, construction and fabrication RM'000 (Restated)	Investment holdings and others RM'000 (Restated)	Consolidated RM'000 (Restated)
<b>Financial year ended 31 December 2017</b>					
<b>Result from continuing operations</b>					
<b>Revenue</b>					
- External	15,348	34,802	11,549	-	61,699
<b>Results</b>					
Operating profit/(loss)	1,417	8,760	(1,949)	(8,079)	149
Interest income					1,326
Lease interest expense					(88)
Finance cost					(554)
Tax expense					(1,331)
Profit for the financial period from continuing operations					(498)
<b>Results from discontinued operations</b>					
Profit for the financial period from discontinued operations, net of tax					2,365
Profit for the financial period					1,867

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

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

**11 Changes in the composition of the Group**

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

- (i) On 4 June 2018, ENRA Kimia (Australia) Pty Ltd ("EKA") was incorporated with an issued and paid-up share capital of AUD100 made up of 100 ordinary shares of AUD1 each which are all held by ENRA Kimia Sdn. Bhd., a wholly-owned indirect subsidiary of the Company. The intended principal activity of EKA is investment holding.
- (ii) On 13 June 2018, EKA had entered into a Share Sale Agreement ("SSA") to acquire 10,000 ordinary shares representing 100% equity interests in International Chemicals Engineering Pty Ltd ("ICE"), in the proportion of 70% from Mr. Christopher Johs Ulrik and 30% from Mr. Kenneth Inglis Lardner, for a cash consideration of up to AUD2,900,000 or approximately RM8,700,000 and the assumption of AUD1,600,000 or approximately RM4,700,000 of existing shareholders' loans in ICE. The aggregate of these amount to AUD4,500,000 or approximately RM13,500,000 ("Purchase Consideration").

The Purchase Consideration will be satisfied in the following manner:

- (i) AUD2,700,000 in cash upon completion of the sale and purchase of the shares (on 24 July 2018); and
- (ii) The balance AUD1,800,000 in cash up to AUD600,000 for each of the next three (3) years ("Earn Out Payment") payable in proportion to the earnings before interest, tax, depreciation and amortisation of ICE ("EBITDA") in excess of the EBITDA Guarantee of AUD500,000 per year for the next three (3) years and up to AUD830,000.

Subsequently, ICE becomes an indirect wholly-owned subsidiary of the Company with effect from 24 July 2018 upon the completion of relevant sale and purchase conditions set out in the SSA.

(b) Disposal of shares in subsidiaries

- (i) On 14 May 2018, the Company had entered into a Share Sale Agreement to dispose its entire shareholding of 5,600,000 ordinary shares representing 70% equity interest in Landmark Zone Sdn. Bhd. ("LZSB") to Mr. Law Wai Cheong, a Director of LZSB, for a cash consideration of RM5.6 million ("Disposal"). LZSB ceased to be a subsidiary of the Company following the completion of the Disposal on 15 May 2018.
- (ii) On 31 May 2018, ENRA Oil & Gas Services Sdn. Bhd., a wholly-owned indirect subsidiary of the Company, has disposed all its shares held in ENRA Engineering And Fabrication Sdn. Bhd. ("EEFAB") comprising 10,000,000 ordinary shares to ENRA Engineering & Construction Sdn. Bhd. ("EEC"), a wholly-owned direct subsidiary of the Company, for a cash consideration of RM16,000,000 ("Reorganisation").

As a result of the Reorganisation, EEFAB has become a wholly-owned direct subsidiary of EEC and remains a wholly-owned indirect subsidiary of the Company. The Reorganisation was carried out to realign the Group structure to place all subsidiaries involved in engineering, construction and fabrication activities under EEC for organisational clarity. The Reorganisation which stems a new segment called engineering, construction and fabrication, has no impact on the financial statements of the Group.

- (iii) On 5 July 2018, following the completion of SSA 1, SSA 2, SSA 3 as disclosed in Note 12 (a), the Company had disposed its entire equity interest in Nautical Gold Sdn. Bhd. ("NGSB"), Evergreen Sprint Sdn. Bhd. ("ESSB") and Essential Vista Sdn. Bhd. ("EVS") for a cash consideration of RM133,921.

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

	<b>31 / 12 / 2018</b>
	<b>RM'000</b>
<b>Assets/(Liabilities) disposed:</b>	
Property, plant and equipment	57
Trade and other receivables	9,874
Cash and cash equivalents	8,045
Assets held for sale	141
Trade and other payables	(9,262)
Current tax liabilities	(71)
Borrowings	(5)
Minority interests	(2,707)
Loss on disposal of a subsidiary	(472)
	<u>5,600</u>
Cash and cash equivalents disposed	(8,045)
Net outflows on disposal of a subsidiary	<u>(2,445)</u>

**12 Significant events during the year**

(a) Completion of disposal of Holiday Plaza and Shamelin Business Centre properties

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:

<b>Agreements</b>	<b>Proposed Disposal</b>	<b>Subtotal RM</b>	<b>Total RM</b>
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 Proposed Disposal becomes unconditional on 9 February 2018 after all conditions precedents have been met.

On 5 July 2018, SPA 1, SPA 2 and the SSAs have been completed following the settlement by Atar Irama and Solid Hope in accordance with the terms and conditions of the SPA 1, SPA 2 and SSAs, respectively.

On 3 October 2018, SPA 3 has been completed following the settlement of the Consideration 3 by Simfoni Cindai in accordance with the terms and conditions of the SPA 3.

(b) Claim against a customer on contract on value of work done

On 29 March 2018, ENRA Engineering And Fabrication Sdn. Bhd. ("EEFAB"), a wholly-owned indirect subsidiary of the Company, had served a payment claim under Section 5 of the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against Gemula Sdn. Bhd. ("Gemula") for a total amount of RM10.22 million ("CIPAA 1 Payment Claim"). Gemula had, via its solicitors, responded with a payment response dated 30 March 2018 disputing the CIPAA Payment Claim by EEFAB.

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

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

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

On 16 April 2018, EEFAB served a Notice of Adjudication to Gemula in accordance with Sections 7 and 8 of CIPAA to refer the CIPAA 1 Payment Claim to adjudication.

On 11 June 2018, EEFAB served an Adjudication Claim to Gemula in accordance with Section 9 of CIPAA and Gemula gave its Adjudication Response on 29 June 2018.

On 6 September 2018, EEFAB has received the Adjudication Decision for CIPAA 1 Payment Claim issued in its favour.

The Adjudicator has determined that:

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

On 8 October 2018, EEFAB had applied to the High Court of Malaya at Kuala Lumpur to enforce the Adjudication Decision for CIPAA 1 Payment Claim and had served the sealed Originating Summons on Gemula.

On 26 October 2018, EEFAB had served another payment claim for the balance amount of RM5,818,445.68 ("CIPAA 2 Payment Claim") in relation to the balance outstanding amounts due and payable by Gemula for works completed pursuant to LOA 1 and LOA 2 including other associated costs.

On 1 November 2018, Gemula had served EEFAB its affidavit in reply to the Suit for a stay of the enforcement of the Adjudication Decision for CIPAA 1 Payment Claim. Separately on the same date, a sealed Originating Summons was served on EEFAB by Gemula to set aside the Adjudication Decision on the grounds that the Adjudicator had acted in excess of his jurisdiction and had not acted impartially.

On 9 November 2018, EEFAB and Gemula had been directed to file their written submissions in respect of both EEFAB's application to enforce the Adjudication Decision for CIPAA 1 Payment Claim and Gemula's application to set aside the Adjudication Decision for CIPAA 1 Payment Claim by 3 January 2019. The hearing date for both applications is fixed on 8 January 2019.

On 8 January 2019, EEFAB has received the written order of the High Court's decisions wherein Gemula's application to set aside the Adjudication Decision for CIPAA 1 Payment Claim was dismissed with costs in the sum of RM15,000 and that the application by EEFAB to enforce the Adjudication Decision for CIPAA 1 Payment Claim as a judgement or order of the High Court was allowed with costs in the sum of RM10,000 to be paid by Gemula. The above written order will not have any significant financial impact on the Group for the financial period ending 31 December 2018 as no additional provision for impairment had been recognised pursuant to the reporting principles under the MFRSs.

On 29 January 2019, EEFAB has received the Notice of Appeal from Gemula which were filed at the Court of Appeal on 28 January 2019. Gemula is seeking to appeal against the decision of the High Court dated 8 January 2019.

### **13 Significant related party transactions**

There were no significant related party transactions during the current financial period under review.

**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 2018 other than the corporate guarantees given by the Company in favour of its subsidiaries as follows:

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

**15 Capital commitments**

The capital commitments as at the end of the financial period ended 31 December 2018 is as follows:

	As at 31 / 12 / 2018	As at 31 / 12 / 2017
	RM'000	RM'000
<b>Approved but not contracted for</b>		
- Purchase of property, plant and equipment	7,350	-

**16 Review of performance**

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

- (a) The Group's property development division comprises projects in Malaysia and abroad
- (b) The Group's energy services division, entails the trading and supply of specialty chemicals, provision of logistics and chartering services
- (c) The Group's engineering, construction and fabrication division provides engineering, construction and fabrication works
- (d) The Group's investment holdings comprise of holding of investment in subsidiaries, associate and joint venture as well as management services and provision of financial assistance for companies within the Group

Quarter	<b>Revenue (continuing operations)</b>				Consolidated RM'000
	Property development	Energy services	Engineering, construction and fabrication	Investment holdings and others	
	RM'000	RM'000	RM'000	RM'000	
<b>FY18/19:</b>					
Quarter 1	-	65,846	1,001	-	66,847
Quarter 2	-	35,373	789	-	36,162
Quarter 3	2,891	28,643	2,144	-	33,678
	<u>2,891</u>	<u>129,862</u>	<u>3,934</u>	<u>-</u>	<u>136,687</u>

<b>FY17/18:</b>					
Quarter 1	777	19,267	3,902	-	23,946
Quarter 2	10,619	8,417	1,912	-	20,948
Quarter 3	3,952	7,118	5,735	-	16,805
Quarter 4	1,488	11,917	182	-	13,587
	<u>16,836</u>	<u>46,719</u>	<u>11,731</u>	<u>-</u>	<u>75,286</u>

Quarter	<b>Profit/(loss) before taxation (continuing operations)</b>				Consolidated RM'000
	Property development	Energy services	Engineering, construction and fabrication	Investment holdings and others	
	RM'000 (Restated)	RM'000 (Restated)	RM'000 (Restated)	RM'000 (Restated)	
<b>FY18/19:</b>					
Quarter 1	1,522	8,471	(275)	(5,848)	3,870
Quarter 2	(165)	2,288	902	(3,395)	(370)
Quarter 3	(45)	1,520	1,906	(3,875)	(494)
	<u>1,312</u>	<u>12,279</u>	<u>2,533</u>	<u>(13,118)</u>	<u>3,006</u>

<b>FY17/18:</b>					
Quarter 1	659	3,789	(448)	(2,415)	1,585
Quarter 2	417	4,578	(177)	(2,596)	2,222
Quarter 3	1,159	75	(1,389)	(2,819)	(2,974)
Quarter 4	400	3,170	(637)	(5,156)	(2,223)
	<u>2,635</u>	<u>11,612</u>	<u>(2,651)</u>	<u>(12,986)</u>	<u>(1,390)</u>



**Q3 FY18/19 v Q3 FY17/18**

For the quarter ended 31 December 2018, the Group posted a higher revenue of RM33.68 million versus RM16.81 million mainly due to energy services. Meanwhile, the Group recorded a lower loss before taxation from continuing operations of RM0.49 million as compared to RM2.97 million mainly on higher contribution from energy services and engineering, construction and fabrication divisions.

Energy services division recorded a higher revenue of RM28.64 million and profit before taxation of RM1.52 million in the third quarter of current financial year as compared to in the same quarter in previous year, mainly due to the contributions from ICE, a newly acquired subsidiary in July 2018 as well as ESPM's Myanmar project which was only commenced in current financial year.

Meanwhile, for engineering, construction and fabrication division, despite showing a RM3.59 million lower revenue, it showed a better profit before taxation of RM1.91 million as compared to loss before taxation of RM1.39 million in previous year, owing to better profit margin from an engineering project.

**YTD FY18/19 v YTD FY17/18**

For the period ended 31 December 2018, the Group recorded a higher revenue of RM136.69 million as compared to RM61.70 million in the preceding financial year. The profit before taxation from continuing operations of RM3.00 million was higher as compared to RM0.83 million in last financial year, mainly caused by higher contribution from energy services and engineering, construction and fabrication divisions.

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

**Q3 FY18/19 v Q2 FY18/19**

For the financial quarter under review, the Group's continuing operations recorded a slightly lower revenue of RM33.68 million from RM36.16 million in the second quarter of current financial year mainly due to lower delivery of chemical products. The higher loss before taxation of RM0.49 million as compared to RM0.37 million in the immediate preceding quarter, mainly due to unfavourable movement on foreign exchange rates.

**18 Future prospects**

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

(a) Property development

For the FY18/19, the Group is focusing on completing the 93 Great Titchfield Street ("93 GTS" or "Portland Chambers") in Central London and selling the remaining 10 unsold units in Shamelin Star in the final quarter of FY18/19. Meanwhile, the Group is also actively pursuing several property development opportunities in certain strategic locations in Malaysia and United Kingdom.

(b) Energy services

The segment will remain as the leading revenue and earnings contributor to the Group in FY18/19. With global oil price hovering between USD60 - 70 per barrel and the resumption of capital expenditure programme by the energy players, this sector is expected to remain robust. With aggressive marketing strategies, improvement in supply chain management, prudent and responsible spending, the Group anticipates the current year performance to be satisfactory.

(c) Engineering, construction and fabrication

This segment will continue to bid for contracts whenever the opportunity arises to enhance our order book and at the same time focus on the execution of existing projects. The Group will actively explore new sources of revenue growth to create more recurring and sustainable income in the future for this new segment.

The Group will continue to focus on operational improvement and cost management initiatives in view of the uncertain global economic environment.

**19 Profit forecast**

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

**20 Profit for the financial period for continuing operations**

	Cumulative Quarter	
	31 / 12 / 2018	31 / 12 / 2017
	RM'000	RM'000
	(Restated)	
Profit before taxation for continuing operations is arrived at after (crediting) / charging		
Interest income	(739)	(1,326)
Interest expense	1,489	554
Lease interest expense	2,799	88
Other income including investment income	(1,202)	(119)
Depreciation of property, plant and equipment	759	1,011
Depreciation of right of use assets	19,400	805
Fair value loss/(gain) on derivatives	245	(77)
Loss on disposal of subsidiaries	472	-
Loss/(Gain) on disposal of property, plant and equipment	55	(63)
Impairment loss on trade receivables	-	525
Unrealised loss on foreign exchange	2,321	439
Realised gain from foreign exchange	(904)	(1,215)
Reversal of impairment loss on trade receivables	(186)	-

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

**21 Income tax expense**

	Individual Quarter		Cumulative Quarter	
	31 / 12 / 2018	31 / 12 / 2017	31 / 12 / 2018	31 / 12 / 2017
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	410	332	3,042	1,406
- overprovision for prior year	-	(75)	(320)	(75)
- deferred taxation	-	-	(21)	-
	410	257	2,701	1,331

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.

**22 Status of corporate proposals announced but not completed as at 14 February 2019**

There were no corporate proposal announced but not yet completed as at 14 February 2019.

**23 Goodwill**

The carrying amount of goodwill allocated to the engineering, construction and fabrication division is RM8.50 million which arised from the acquisition of 75% of EEFAB on 12 May 2016.

The remaining goodwill of RM8.39 million is allocated to energy division as a result of 100% acquisition of ICE as disclosed in Note 11(a)(ii).

Goodwill arising from these business combinations has been allocated for annual impairment testing purposes.

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

## 24 Borrowings and debts securities

Total borrowings of the Group were analysed as follows :

	Short Term		Long Term		Total		Total Group RM'000 (Restated)
	Foreign currency RM'000 (Restated)	Malaysian Ringgit RM'000 (Restated)	Foreign currency RM'000 (Restated)	Malaysian Ringgit RM'000 (Restated)	Foreign currency RM'000 (Restated)	Malaysian Ringgit RM'000 (Restated)	
<b>As at 31 December 2018:</b>							
<b>Secured</b>							
Bank overdrafts	-	1,759	-	-	-	1,759	1,759
Hire-purchase and lease creditors	-	201	-	381	-	582	582
Trade facilities	-	2,506	-	-	-	2,506	2,506
	-	4,466	-	381	-	4,847	4,847
<b>As at 31 December 2017:</b>							
<b>Secured</b>							
Bank overdrafts	-	18,056	-	-	-	18,056	18,056
Term loans	11,120	5,917	5,690	(928)	16,810	4,989	21,799
Hire-purchase and lease creditors	-	200	-	772	-	972	972
Trade facilities	-	6,650	-	-	-	6,650	6,650
	11,120	30,823	5,690	(156)	16,810	30,667	47,477

The decrease in bank borrowings is mainly due to decrease in term loans due to repayment made during the financial year.

## 25 Derivatives

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

Details of the Group's derivatives financial instruments outstanding as at 31 December 2018 are as follows:

	Currency	Nominal value '000	Fair value gain/(loss) RM'000
<b>As at 31 December 2018:</b>			
Forward currency selling contracts less than 1 year:	GBP	8,789	(219)
Forward currency buying contracts less than 1 year:	USD	(607)	(26)
<b>Net fair value gain</b>			<b>(245)</b>
<b>As at 31 December 2017:</b>			
Forward currency selling contracts less than 1 year:	GBP	6,500	76
<b>Net fair value loss</b>			<b>76</b>

## 26 Material impairment of assets

There is no material impairment loss of assets recognised in the statement of profit and loss and other comprehensive income in the current quarter and comparative quarter, except for what was disclosed in Note 20.

**27 Material litigation**

Mohd. Arif Shah bin Omar v. ENRA Oil & Gas Services Sdn. Bhd.  
Kuala Lumpur High Court Summons No. WA-22NCC-266-07/2018

On 13 July 2018, Mohd. Arif Shah bin Omar ("the Plaintiff") served a Writ of Summons and Statement of Claim on representatives of ENRA Oil & Gas Services Sdn. Bhd. ("EOGS" or "the Defendant") for:

- (a) the sum of RM1,514,038.21 allegedly owed to him by the Defendant, arising from a Share Sale Agreement dated 5 February 2016 in relation to the sale of the Plaintiff's equity interest in Hikmah Oil & Gas Assistance Sdn. Bhd. [now known as ENRA Engineering And Fabrication Sdn. Bhd.] to the Defendant;
- (b) interest on the above sum at a rate to be determined by the Court from the date of judgement until completion of payment;
- (c) costs; and
- (d) such further and/or other reliefs that the Court deems fit and proper.

EOGS had filed its Statement of Defence on 30 August 2018 and the full trial has been fixed on 11 February 2019 to 15 February 2019.

On 12 December 2018, EOGS and the Plaintiff have reached an amicable settlement and the parties agreed to settle all actions, claims and demands arising out of the relevant agreements specified in the Settlement Agreement dated 6 December 2018, including those in the Civil Suit filed by the Plaintiff against the Defendant for a sum amounting to RM290,000 to be paid by the Defendant to the Plaintiff as full and final settlement upon the terms as stipulated in the said Settlement Agreement between the parties. The Plaintiff withdraws the Civil Suit without liberty to file a fresh suit on the same cause of action. This results in the reversal of liabilities of RM442,000 in December 2018.

**28 Earnings per ordinary share**

Basic earnings per share are calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding any treasury shares held by the Company.

	Quarter Ended		Cumulative Quarter Ended	
	31 / 12 / 2018	31 / 12 / 2017	31 / 12 / 2018	31 / 12 / 2017
Profit attributable to equity holders of the Company (RM'000)				
- continuing operations	(1,068)	(2,732)	(372)	409
- discontinued operations	(96)	1,064	895	2,365
	<u>(1,164)</u>	<u>(1,668)</u>	<u>523</u>	<u>2,774</u>
Weighted average number of ordinary shares in issue ('000)				
Total number of ordinary shares	136,208	136,208	136,208	136,208
Treasury shares	(1,289)	(1,289)	(1,289)	(1,289)
	<u>134,919</u>	<u>134,919</u>	<u>134,919</u>	<u>134,919</u>
Basic earnings per share (sen) :				
- continuing operations	(0.79)	(2.02)	(0.28)	0.30
- discontinued operations	(0.07)	0.79	0.66	1.75
	<u>(0.86)</u>	<u>(1.23)</u>	<u>0.38</u>	<u>2.05</u>

There are no diluted earnings per share as the Company does not have any potential dilutive ordinary shares outstanding as at 31 December 2018.

**29 Status of utilisation of proceeds raised from corporate proposal**

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

**30 Dividends**

The Board of Directors has approved and declared a first interim single tier dividend of 4.5 sen per share in respect of FY17/18 amounting to RM6.07 million (FY16/17: Nil). The dividend was paid on 6 August 2018.

The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 March 2018.

**31 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**