

ENRA GROUP BERHAD
(Company No. 199201005296(236800-T))
UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 / 12 / 2019 RM ' 000	As at 31 / 3 / 2019 RM ' 000
ASSETS		
Non-current assets		
Property, plant and equipment	15,558	14,523
Right of use assets	49,923	85,077
Investment in an associate	-	17
Deferred tax assets	76	76
Intangible assets	4,066	4,272
Goodwill	12,940	12,934
	<u>82,563</u>	<u>116,899</u>
Current assets		
Inventories	51,267	83,270
Trade and other receivables	125,712	33,881
Derivative assets	190	512
Current tax assets	2,568	842
Cash and cash equivalents	31,737	29,965
	<u>211,474</u>	<u>148,470</u>
TOTAL ASSETS	<u>294,037</u>	<u>265,369</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	144,744	144,744
Redeemable convertible preference shares equity	2,886	2,886
Reserves	(25,693)	(24,555)
	<u>121,937</u>	<u>123,075</u>
Non-controlling interests	1,379	(2,199)
Total equity	<u>123,316</u>	<u>120,876</u>
Non-current liabilities		
Deferred tax liabilities	283	283
Trade and other payables	1,422	2,613
Borrowings	1,284	282
Leasing liabilities	22,736	59,144
Redeemable convertible preference shares liability	5,898	5,580
	<u>31,623</u>	<u>67,902</u>
Current liabilities		
Trade and other payables	38,869	31,776
Borrowings	71,205	16,168
Leasing liabilities	27,371	27,658
Current tax liabilities	1,653	989
	<u>139,098</u>	<u>76,591</u>
Total liabilities	170,721	144,493
TOTAL EQUITY AND LIABILITIES	<u>294,037</u>	<u>265,369</u>
Net assets per share (after deducting the treasury shares) attributable to equity holders of the Company (RM)	<u>0.90</u>	<u>0.91</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 2019 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD
(Company No. 199201005296(236800-T))
UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarters	
	31 / 12 / 2019	31 / 12 / 2018	31 / 12 / 2019	31 / 12 / 2018
	RM ' 000	RM ' 000	RM ' 000	RM ' 000
Continuing operations				
Revenue	50,881	33,678	144,435	136,687
Cost of sales	(39,547)	(26,330)	(113,869)	(108,964)
Gross profit	11,334	7,348	30,566	27,723
Other operating income	323	1,251	1,747	2,494
Operating expenses	(7,356)	(7,782)	(23,484)	(21,680)
Profit from operations	4,301	817	8,829	8,537
Lease interest expense	(490)	(925)	(1,672)	(2,805)
Finance cost	(490)	(295)	(1,073)	(1,489)
Share of results of an associate	-	(4)	(17)	22
Profit/(loss) before taxation	3,321	(407)	6,067	4,265
Taxation	(1,116)	(410)	(1,719)	(2,701)
Profit/(Loss) for the financial period from continuing operations	2,205	(817)	4,348	1,564
Discontinued operations				
Loss for the financial period from discontinued operations, net of tax	-	(263)	-	(444)
Profit/(Loss) for the financial period	2,205	(1,080)	4,348	1,120
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	722	195	138	213
Total comprehensive income/(loss) for the financial period	2,927	(885)	4,486	1,333
Profit/(Loss) attributable to:-				
Equity holders of the Company	1,981	(1,244)	2,793	443
Non-controlling interests	224	164	1,555	677
	2,205	(1,080)	4,348	1,120
Total comprehensive income/(loss) attributable to:-				
Equity holders of the Company	2,511	(1,055)	2,910	651
Non-controlling interests	416	170	1,576	682
	2,927	(885)	4,486	1,333
Earnings per share (after deducting the treasury shares) attributable to equity holders of the Company (sen):				
(a) Basic				
Profit/(Loss) from continuing operations	1.47	(0.73)	2.07	0.66
Loss from discontinued operations	-	(0.19)	-	(0.33)
	1.47	(0.92)	2.07	0.33
(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 2019 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD
(Company No. 199201005296(236800-T))
UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Non-distributable				Distributable				
	Share Capital RM ' 000	Redeemable Convertible Preference Shares RM ' 000	Capital Reserves RM ' 000	Exchange Translation Reserve RM ' 000	Treasury Shares RM ' 000	Retained Earnings RM ' 000	Total RM ' 000	Non- controlling Interests RM ' 000	Total Equity RM ' 000
Financial period ended 31 December 2019									
As at 1 April 2019	144,744	2,886	275	53	(1,200)	(23,683)	123,075	(2,199)	120,876
Profit for the financial period	-	-	-	-	-	2,793	2,793	1,555	4,348
Other comprehensive income, net of tax	-	-	(275)	117	-	275	117	21	138
Total comprehensive (loss)/income	-	-	(275)	117	-	3,068	2,910	1,576	4,486
Dividends to equity holders of the Company	-	-	-	-	-	(4,048)	(4,048)	-	(4,048)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(160)	(160)
Issue of shares by subsidiaries to a non-controlling interest	-	-	-	-	-	-	-	115	115
Issuance capital contribution reserve	-	-	-	-	-	-	-	2,047	2,047
Total transactions with owners	-	-	-	-	-	(4,048)	(4,048)	2,002	(2,046)
As at 31 December 2019	144,744	2,886	-	170	(1,200)	(24,663)	121,937	1,379	123,316
Financial period ended 31 December 2018									
As at 1 April 2018	144,744	409	275	92	(1,200)	7,000	151,320	13,724	165,044
Profit for the financial period	-	-	-	-	-	443	443	677	1,120
Other comprehensive income, net of tax	-	-	-	208	-	-	208	5	213
Total comprehensive income	-	-	-	208	-	443	651	682	1,333
Disposal of a subsidiary	-	-	-	-	-	-	-	(2,707)	(2,707)
Dividends to equity holders of the Company	-	-	-	-	-	(6,071)	(6,071)	-	(6,071)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(11,577)	(11,577)
Issuance of redeemable convertible preference shares	-	2,725	-	-	-	-	2,725	-	2,725
Total transactions with owners	-	2,725	-	-	-	(6,071)	(3,346)	(14,284)	(17,630)
As at 31 December 2018	144,744	3,134	275	300	(1,200)	1,372	148,625	123	148,748

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 2019 and the accompanying explanatory notes to the interim financial statements.

ENRA GROUP BERHAD**(Company No. 199201005296(236800-T))****UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Cumulative quarters ended	
	31 / 12 / 2019	31 / 12 / 2018
	RM ' 000	RM ' 000
Cash flows from operating activities		
Profit before taxation		
- continuing operations	6,067	4,265
- discontinued operations	-	(444)
Adjustments for non-cash items:		
Written back of provision for impairment loss on trade receivables	(346)	(186)
Depreciation of property, plant and equipment	850	759
Depreciation of right of use assets	15,371	19,400
Amortisation of intangible assets	206	-
Fair value loss on derivatives	323	245
Loss on disposal of subsidiaries	-	338
Loss on disposal of property, plant and equipment	-	55
Unrealised loss on foreign exchange	248	2,321
Unwinding of redeemable convertible preference shares discount	-	228
Fair value changes on contingent consideration	(126)	-
Share of results of an associate	17	(21)
Lease interest expense	1,672	2,805
Interest expense	1,073	1,489
Interest income	(885)	(739)
Operating profit before changes in working capital	24,470	30,515
Changes in working capital	(53,812)	92,708
Tax paid	(2,396)	(2,014)
Net cash (used in)/generated from operating activities	(31,738)	121,209
Cash flows from investing activities		
Interest received	885	739
Placement of pledged deposits	(4,681)	(577)
Proceeds from disposal of property, plant and equipment	-	257
Net outflows on disposal of a subsidiary	-	(2,445)
Acquisition of:		
- right of use assets	(30)	(23)
- property, plant and equipment	(1,941)	(10,085)
- subsidiaries, net of cash	(77)	(3,388)
Net cash used in investing activities	(5,844)	(15,522)
Cash flows from financing activities		
Interest paid	(756)	(1,489)
Dividends paid to:		
- equity holders of the Company	(4,048)	(6,071)
- non-controlling interests	(160)	(11,577)
Issuance of redeemable convertible preference shares	-	7,038
Net drawdown/(repayment) of borrowings	57,109	(54,267)
Repayment of lease liabilities	(18,311)	(20,778)
Net cash generated from/(used in) financing activities	33,834	(87,144)
Net (decrease)/ increase in cash and cash equivalents	(3,748)	18,544
Cash and cash equivalents at beginning of financial period	22,836	21,970
Effect of foreign currency exchange rate changes	(137)	(37)
Cash and cash equivalents at end of financial period	18,951	40,477
Cash and cash equivalents comprise:-		
Cash and bank balances	31,737	48,611
Less: Bank overdrafts	(1,659)	(1,759)
Fixed deposits pledged to licensed banks	(11,127)	(6,375)
	18,951	40,477

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 2019 and the accompanying explanatory notes to the interim financial statements.

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

1 Basis of preparation

The interim financial report are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2019.

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 2019, except for the adoption of the following standards, amendments to published standards and interpretations to existing standards which are effective for the financial period commencing on or after 1 January 2019:

Title:	Effective date for the financial period commencing on or after:
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
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

The standards and amendments that are issued but not yet effective for the adoption by the Group in the current financial year up to the date of this interim report are disclosed below:

Title:	Effective date for the financial period commencing on or after:
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Business Combinations - Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 Presentation of Financial Statements - Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Materials</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Financial Instruments - Interest Rate Benchmark Reform</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect any material changes to the financial statements of the Group when the above standards and amendments become effective.

3 Qualification of auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2019 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 year 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 year under review other than material items disclosed in Note 20.

7 Debt and equity securities

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

8 Dividends paid to equity holders of the Company

The Company paid first interim single tier dividend of 3.0 sen per share of RM4.05 million during current financial year on 17 May 2019 (Note 30).

9 Revenue

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

	Cumulative Quarters	
	31 / 12 / 2019	31 / 12 / 2018
	RM'000	RM'000
Products and services:		
Sale of completed properties	41,965	2,891
Sale of trading goods	58,243	86,772
Contract revenue	-	2,829
Leasing	25,516	21,994
Services rendered:		
- logistics	-	1,183
- energy	18,711	21,018
	<u>144,435</u>	<u>136,687</u>
Timing of revenue recognition:		
At a point in time	100,884	99,507
Over time	43,551	37,180
	<u>144,435</u>	<u>136,687</u>

10 Segmental information

	Property RM'000	Energy services RM'000	Investment holdings and others RM'000	Consolidated RM'000
Financial period ended 31 December 2019				
Results from continuing operations:				
Revenue				
- External	41,965	102,470	-	144,435
Results				
Operating profit/(loss)	489	14,610	(7,172)	7,927
Interest income				885
Lease interest expense				(1,672)
Finance cost				(1,073)
Tax expense				(1,719)
Profit for the financial period from continuing operations				<u>4,348</u>
Results from discontinued operations				
Profit for the financial period from discontinued operations, net of tax				-
Profit for the financial period				<u>4,348</u>
Earnings before interest, tax, depreciation and amortisation	591	30,415	(6,858)	<u>24,354</u>

ENRA GROUP BERHAD
(Company No. 199201005296(236800-T))
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019

	Property RM'000	Energy services RM'000	Investment holdings and others RM'000	Consolidated RM'000
Financial period ended 31 December 2018				
Results from continuing operations				
Revenue				
- External	2,891	133,796	-	136,687
Results				
Operating profit/(loss)	1,444	18,232	(11,856)	7,820
Interest income				739
Lease interest expense				(2,805)
Finance cost				(1,489)
Tax expense				(2,701)
Profit for the financial period from continuing operations				1,564
Results from discontinued operations				
Loss for the financial period from discontinued operations, net of tax				(444)
Profit for the financial period				1,120
Earnings before interest, tax, depreciation and amortisation	1,444	37,865	(11,331)	27,945

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 31 May 2019, ENRA Land Sdn. Bhd. ("ELAND"), a wholly-owned direct subsidiary of the Company has entered into a Shareholders Agreement with IBGH Capital Sdn. Bhd. ("IBGHC") to collaborate in the business of property development in Malaysia via Q Homes Sdn. Bhd. ("Q Homes"). Q Homes was incorporated in Malaysia on 28 February 2019 as a private limited liabilities company. The principal activities of Q Homes and its subsidiary ("Q Homes Group") include construction of buildings and real estate activities. Q Homes owns a 100% equity stake in Merpati TPG Sdn. Bhd.

On 20 June 2019, ELAND has subscribed for a 51% equity stake in Q Homes for a total cash consideration of RM127,500.

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

	31 / 12 / 2019 RM'000
Assets/(Liabilities) acquired:	
Property, plant and equipment	6
Property development cost	231
Trade and other receivables	124
Cash and bank balances	50
Trade and other payables	(174)
Total identifiable net assets	237
Goodwill on consolidation	6
Non-controlling interests	(116)
Purchase consideration satisfied by cash	127
Cash and cash equivalents acquired	(50)
Cash outflow on acquisition of subsidiaries	77

- (ii) On 3 September 2019, the Company has made internal restructuring involving a transfer of its entire shareholding of 500,000 ordinary shares in Orlando Manufacturing Sdn Bhd ("OMSB") and 200,000 ordinary shares in Tenderly Marketing Sdn Bhd ("TMSB") and ELAND's entire shareholding of 2 ordinary shares in Prominent Archway Sdn Bhd ("PASB") to Q Homes at a total cash consideration of RM4.00 and RM2.00 respectively.

The Internal Reorganisation will not have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of ENRA Group for the financial year ending 31 March 2020.

Subsequently Q Homes has changed the names of these subsidiaries from TMSB to Makmur Homes Sdn Bhd (MHSB) on 2019 and from OMSB to DV Homes Sdn Bhd (DVHomes) on 2019.

- (iii) On 31 Jan 2020, the Company has transferred 100% of its 100,000 shares in Enra Power Systems Sdn Bhd ("EPS") from Enra Energy Sdn Bhd ("EESB") to Enra Kimia Sdn Bhd ("EKSB") for a total cash consideration of RM100,000.

12 Significant events during the year

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

On 11 June 2018, ENRA Engineering And Fabrication Sdn. Bhd. ("EEFAB"), a wholly-owned indirect subsidiary of the Company served an Adjudication Claim against Gemula Sdn. Bhd. ("Gemula") in accordance with Section 9 of Construction Industry Payment and Adjudication Act 2012 ("CIPAA") for a total amount of RM10,574,663 ("CIPAA Payment Claim").

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 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 6 September 2018, the Adjudicator had determined in EEFAB's favour 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.

(collectively "Adjudication Decision").

On 8 October 2018, EEFAB, applied to the Construction Court (a division of the High Court) in KL to enforce the Adjudication Decision as a judgement or order of the High Court ("Enforcement Application") as Gemula failed to make payment of the Adjudication Decision within the given time frame.

On 1 November 2018, 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 8 January 2019, the High Court held:

- (i) Gemula's application to set aside the Adjudication Decision for CIPAA Payment Claim was dismissed with costs in the sum of RM15,000; and
- (ii) the Enforcement was allowed with costs in the sum of RM10,000 to be paid by Gemula.

On 29 January 2019, EEFAB received a Notice of Appeal from Gemula to appeal against the decision of the High Court dated 8 January 2019 (collectively "CIPAA Appeals").

On 20 January 2020, Gemula filed a Notice of Discontinuance of the CIPAA Appeals which was confirmed by the Court of Appeal on 5 February 2020 by way of e-review. The CIPAA Appeals are discontinued and withdrawn without liberty to file afresh.

On 4 March 2019, EEFAB, through its solicitors, served Notice of Demand to Gemula demanding payment of the sum totalling RM10.38 million. Subsequently, on 27 March 2019, EEFAB, through its solicitors, filed a winding up petition at the High Court against Gemula as they had failed to pay the sum owing set out in the Notice of Demand after the expiration of 21 days from the date of the service of the said Notice of Demand ("Winding Up Petition").

On 25 June 2019, the Kuala Lumpur High Court granted the Winding up Petition initiated by EEFAB against Gemula together with RM15,000 costs to be paid by Liquidator out of assets of Gemula ("Winding Up Order").

On 23 July 2019, Gemula served a Notice to Appeal the Winding Up Order ("Winding Up Appeal").

On 9 January 2020, Gemula filed a Notice of Discontinuance of the Winding Up Appeal. The Winding Up Appeal is discontinued and withdrawn without liberty to file afresh.

In short, the written orders of the High Court for the enforcement of the Adjudication Decision in favour of EEFAB and the winding up of Gemula remain valid. ENRA will announce any material development of the above matter at the appropriate time.

b) Acquisition of a vessel ("Ratu Enra")

On 7 Oct 2019, Enra SPM Labuan Ltd. ("ESPML"), a wholly-owned subsidiary of Enra SPM Sdn Bhd, in which the Group holds a 60% stake, while SPM Terminals Pty Ltd 40% has signed a Memorandum of Agreement (MOA) with Maersk Product Tankers A/S, a Copenhagen based company to purchase a tanker known as Maersk Edgar (now changed name to Ratu Enra).

This vessel is a double hull oil and chemical tanker with a net tonnage of 10,216 tonnes will be acquired for US\$9.3 million or RM38.87 million cash consideration which will be financed via a combination of internally-generated funds and external borrowings.

The proposed acquisition was completed on 8 January 2020 in accordance with terms and condition of the MOA not expected to have any material effect on the earnings of the group for the financial year ending 31 March 2020. On 14 November 2019, ESPML successfully obtained a provisional registration certificate for the vessel with the Marine Department in Port Klang under the name Ratu Enra. The process of permanent registration of Ratu Enra is ongoing as at the date of this report.

On 11 December 2019, ESPML has via a Letter of Award dated 11 December 2019, awarded the necessary modification works on Ratu Enra, for a total contract value of USD1.82 million or equivalent to RM7.59 million.

13 Significant related party transactions

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

	Cumulative Quarters	
	31 / 12 / 2019	31 / 12 / 2018
	RM'000	RM'000
i) Purchase of goods and services from a non-controlling interest of a subsidiary	(1,954)	-
ii) Leasing of an equipment from a non-controlling interest of a subsidiary	(2,368)	-
iii) Provision of operation and maintenance (O&M) services from a non-controlling interest of a subsidiary	(1,875)	-
iv) Project management fee from a non-controlling interest of a subsidiary	(480)	-
v) Interest charges on advances from a non-controlling interest of a subsidiary	(628)	-
vi) Vessel modification works paid to a non-controlling interest of a subsidiary	(1,323)	-

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 2019 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 2019 is as follows:

	As at	As at
	31 / 12 / 2019	31 / 12 / 2018
	RM'000	RM'000
Approved and contracted for		
- Purchase of property, plant and equipment	18,679	-
Approved but not contracted for		
- Purchase of property, plant and equipment	6,376	7,350

16 Review of performance

For the financial period under review, the Group's business activities from continuing operations were split into 3 segments:

- The Group's property division comprises projects in Malaysia and abroad.
- The Group's energy services division, entails the trading and supply of products like specialty chemicals, provision of logistics/ chartering, engineering, operation and maintenance services relating to energy sector.
- 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	Revenue (continuing operations)			
	Property RM'000	Energy services RM'000	Investment holdings RM'000	Consolidated RM'000
FY19/20:				
Quarter 1	19,040	32,429	-	51,469
Quarter 2	13,625	28,460	-	42,085
Quarter 3	9,300	41,581	-	50,881
Cumulative quarter	41,965	102,470	-	144,435
FY18/19:				
Quarter 1	-	66,847	-	66,847
Quarter 2	-	36,162	-	36,162
Quarter 3	2,891	30,787	-	33,678
Cumulative quarter	2,891	133,796	-	136,687
Quarter 4	-	28,019	-	28,019
Full financial year	2,891	161,815	-	164,706

Quarter	Profit/(loss) before taxation (continuing operations)			
	Property RM'000	Energy services RM'000	Investment holdings RM'000	Consolidated RM'000
FY19/20:				
Quarter 1	(16)	3,578	(2,835)	727
Quarter 2	94	3,623	(1,698)	2,019
Quarter 3	106	5,410	(2,195)	3,321
Cumulative quarter	184	12,611	(6,728)	6,067
FY18/19:				
Quarter 1	1,522	8,196	(4,676)	5,042
Quarter 2	(165)	3,190	(3,395)	(370)
Quarter 3	(45)	4,176	(4,538)	(407)
Cumulative quarter	1,312	15,562	(12,609)	4,265
Quarter 4	(9,905)	(17,465)	(179)	(27,549)
Full financial year	(8,593)	(1,903)	(12,788)	(23,284)
Excluding major exceptional items	9,276	15,262	-	24,538
Full financial year excluding exceptional items	683	13,359	(12,788)	1,254

Q3 FY19/20 v Q3 FY18/19

For the individual quarter ended 31 Dec 2019 ("Q3 FY19/20"), the Group revenue increased by RM17.20 million due to higher contribution from Property division and Energy Services division. The increase in revenue has resulted in higher profit before taxation ("PBT") from continuing operations by RM3.73 million as compared to Q3 FY18/19 loss of RM0.41 million.

The revenue of Property division has increased to RM9.30 million, owing to the sale of 1 unit of Portland Chambers's flat in London and 1 unit of Shamelin Star condominium in Cheras, Kuala Lumpur, from RM2.89 million in Q3 FY18/19 (from the sales of 4 units of Shamelin star condominiums). The Property division recorded a PBT of RM0.11 million as compared to LBT of RM0.05 million in the same quarter last year.

Meanwhile, the Energy Services division recorded a higher profit of RM1.23 million as compared to RM4.18 million in the same quarter in previous year, mainly from increased in revenue and a reduction in operational cost.

Investment holdings continue to show an encouraging trend of cost reduction by half.

YTD FY19/20 v YTD FY18/19

Revenue for YTD FY19/20 increased by RM7.75 million from RM136.69 million in YTD FY18/19, mainly from Property division's sale of 3 flats in London worth of RM39.02 million, despite lower contribution from Energy division.

The higher Group PBT of RM1.80 million as compared to the same period in previous financial year was mainly due to reduction in cost at investment holdings, although this is offset by lower YTD PBT for Property and Energy Services.

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

Q3 FY19/20 v Q2 FY19/20

For the financial quarter under review, the Group's continuing operations recorded a higher revenue of RM8.79 million from RM42.09 million in Q2FY19/20 to RM50.88 million, mainly due to higher delivery of some chemical products in line with higher customers scheduled usage. The increase in PBT by RM1.30 million as compared to RM2.02 million in the immediate preceding quarter, is in line with the increase in revenue after offsetting administration cost at Investment holdings and other division.

18 Future prospects

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

(a) Property

For the financial year 2019/2020 ("FY19/20"), with the sale of another unit of flat of Portland Chambers in the fourth quarter, now we are focusing on selling the remaining unsold units in Shamelin Star. Group has successfully crossed a major milestone for Rugby property project, having obtain approval for enhanced planning permission to increase the number of units for a lifestyle retirement development. On the mid-market front, the Group is gearing towards developing affordable landed properties and will be launching its first development under the Q Homes brand soon, with several other projects in the pipeline to be launched coming after. The Group will continue to pursue opportunities on this front with a view of growing demand for affordable homes in the near future.

(b) Energy services

The segment will continue to be the leading revenue and earnings contributor to the Group in the last quarter of FY 19/20. With global oil price hovering between USD55 - 65 per barrel and the resumption of capital expenditure and repair, maintenance and replacement programme by the major players, this sector is expected to remain robust. With aggressive marketing strategies, improvement in supply chain management and the acquisition of new assets, the Group anticipates the current year performance for the segment to be satisfactory. This segment will also continue to bid for contracts whenever the opportunity arises to enhance our order book including for the smart and energy savings lighting business.

The Group will continue to focus on opportunistic business development, 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 year for continuing operations

	Cumulative Quarter	
	31 / 12 / 2019	31 / 12 / 2018
	RM'000	RM'000
Profit before taxation for continuing operations is arrived at after (crediting) / charging		
Interest income	(885)	(739)
Interest expense	1,073	1,489
Lease interest expense	1,672	2,805
Other income including investment income	(708)	(1,202)
Fair value changes on contingent consideration	(126)	-
Depreciation of property, plant and equipment	850	759
Depreciation of right of use assets	15,371	19,400
Amortisation of intangible assets	206	-
Fair value loss on derivatives	323	245
Loss on disposal of subsidiaries	-	338
Loss on disposal of property, plant and equipment	-	55
Written back of provision for impairment loss on trade receivables	(346)	(186)
Unrealised loss on foreign exchange	248	2,321
Realised gain from foreign exchange	(544)	(904)

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 / 2019	31 / 12 / 2018	31 / 12 / 2019	31 / 12 / 2018
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax :-				
- current taxation	853	240	1,239	2,784
- overprovision for prior year	-	-	2	(321)
- deferred taxation	-	-	-	(21)
	853	240	1,241	2,442
Australian income tax :-				
- current taxation	263	170	478	259
	1,116	410	1,719	2,701

Although the Group's effective tax rate has improved over time, it remains 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 19 February 2019

There were no corporate proposal announced but not yet completed as at 19 February 2019.

23 Goodwill

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

	As at 31 / 12 / 2019 RM'000
75% of ENRA Engineering And Fabrication Sd. Bhd. ("EEFAB")	8,505
100% of International Chemicals Engineering Pty. Ltd. ("ICE")	4,004
51% of ENRA IOL Sdn. Bhd. ("EIOL")	401
51% of Abode Senior Living Limited ("ASLL")	24
51% of Q Homes Sdn. Bhd. ("Q Homes")	6
	12,940

Q Homes is the new subsidiary acquired during the year in Note 11(a).

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		
	Foreign currency RM'000	Malaysian Ringgit RM'000	Foreign currency RM'000	Malaysian Ringgit RM'000	Foreign currency RM'000	Malaysian Ringgit RM'000	Total Group RM'000
As at 31 December 2019:							
Secured							
Bank overdrafts	-	1,659	-	-	-	1,659	1,659
Term loans	12,779	14,001	-	1,130	12,779	15,131	27,910
Hire-purchase and lease creditors	-	184	-	154	-	338	338
Trade facilities	-	42,582	-	-	-	42,582	42,582
	12,779	58,426	-	1,284	12,779	59,710	72,489
As at 31 December 2018:							
Secured							
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

The increase in bank borrowings is mainly due to net drawdown of term loans and higher utilisation of trade facilities.

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 2019 are as follows:

	Currency	Nominal value '000	Fair value loss RM'000
As at 31 December 2019:			
Forward currency selling contracts less than 1 year:	GBP	3,367	(323)
Net fair value loss			(323)
As at 31 December 2018:			
Forward currency selling contracts less than 1 year:	GBP	8,789	(219)
Forward currency buying contracts less than 1 year:	USD	(607)	(26)
Net fair value loss			(245)

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.

27 Material litigation

The Group is not engaged in any material litigation as at the date of issuance of this financial statements except as disclosed in Note 12(a).

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 / 2019	31 / 12 / 2018	31 / 12 / 2019	31 / 12 / 2018
Profit/(Loss) attributable to equity holders of the Company (RM'000)				
- continuing operations	1,981	(981)	2,793	887
- discontinued operations	-	(263)	-	(444)
	<u>1,981</u>	<u>(1,244)</u>	<u>2,793</u>	<u>443</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	1.47	(0.73)	2.07	0.66
- discontinued operations	-	(0.19)	-	(0.33)
	<u>1.47</u>	<u>(0.92)</u>	<u>2.07</u>	<u>0.33</u>

There are no diluted earnings per share as the Company does not have any potential dilutive ordinary shares outstanding as at 31 December 2019.

29 Status of utilisation of proceeds raised from corporate proposal

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

30 Dividends

On 23 April 2019, the Board of Directors has declared a first interim single tier dividend of 3.0 sen per share in respect of FY18/19 amounting to RM4.05 million which is recognised in FY19/20. The dividend was paid on 17 May 2019.

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