

ENCORP BERHAD
(506836-X)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009
(Unaudited)

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**CONDENSED CONSOLIDATED INCOME STATEMENTS
 FOR THE QUARTER ENDED 31 MARCH 2009**

	← Unaudited →		← Unaudited →	
	← Individual Quarter →		← Cumulative Quarters →	
	Current Quarter Ended 31 Mar 09 RM'000	Preceding Year Corresponding Quarter 31 Mar 08 RM'000	Current Year To Date 31 Mar 09 RM'000	Preceding Year Corresponding Period 31 Mar 08 RM'000
Revenue	70,170	51,984	70,170	51,984
Cost of Sales	<u>(21,365)</u>	<u>(14,080)</u>	<u>(21,365)</u>	<u>(14,080)</u>
Gross Profit	48,805	37,904	48,805	37,904
Other Income	863	1,420	863	1,420
Selling and Marketing Expenses	(145)	(83)	(145)	(83)
Administrative Expenses	(2,819)	(2,782)	(2,819)	(2,782)
Other Expenses	(2,783)	(2,202)	(2,783)	(2,202)
Finance Costs	<u>(25,475)</u>	<u>(26,050)</u>	<u>(25,475)</u>	<u>(26,050)</u>
Profit Before Tax	18,446	8,207	18,446	8,207
Income Tax Expense	<u>(4,886)</u>	<u>(2,014)</u>	<u>(4,886)</u>	<u>(2,014)</u>
Profit After Tax	<u>13,560</u>	<u>6,193</u>	<u>13,560</u>	<u>6,193</u>
Attributable To:				
Equity Holders of The Parent	9,176	4,408	9,176	4,408
Minority Interest	<u>4,384</u>	<u>1,785</u>	<u>4,384</u>	<u>1,785</u>
	<u>13,560</u>	<u>6,193</u>	<u>13,560</u>	<u>6,193</u>
Earnings Per Share Attributable				
To Equity Holders of The Parent (Sen):				
Basic, For Profit For The Period	<u>4.27</u>	<u>1.97</u>	<u>4.27</u>	<u>1.97</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

ENCORP BERHAD

(Company No: 506836-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2009**

	Unaudited As At 31 Mar 09 RM'000	Audited As At 31 Dec 08 RM'000
ASSETS		
<u>NON-CURRENT ASSETS</u>		
PROPERTY, PLANT AND EQUIPMENT	5,317	5,325
LAND HELD FOR PROPERTY DEVELOPMENT	60,482	60,482
GOODWILL ON CONSOLIDATION	127,909	130,479
CONCESSION INCOME RECEIVABLES	1,009,925	1,026,426
DEFERRED TAX ASSETS	16	76
<u>CURRENT ASSETS</u>		
Property Development Costs	105,800	123,261
Inventory	393	393
Trade and Other Receivables	217,944	177,085
Tax Recoverable	935	935
Short term investment	91,445	104,300
Deposits, Cash and Bank Balances	46,024	81,316
	<u>462,541</u>	<u>487,290</u>
TOTAL ASSETS	<u>1,666,190</u>	<u>1,710,078</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

ENCORP BERHAD

(Company No: 506836-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2009**

	Unaudited As At 31 Mar 09 RM'000	Audited As At 31 Dec 08 RM'000
EQUITY AND LIABILITIES		
SHARE CAPITAL	223,509	223,509
TREASURY SHARES	(7,493)	(6,673)
SHARE PREMIUM	103,563	103,563
ACCUMULATED LOSS	(16,289)	(25,465)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	303,290	294,934
MINORITY INTEREST	25,857	23,138
TOTAL EQUITY	329,147	318,072
<u>NON-CURRENT LIABILITIES</u>		
Trade Payables	66,041	66,041
Long Term Borrowings	1,025,418	1,056,293
Deferred Taxation	30,094	30,094
Hire Purchase Payables	364	445
	1,121,917	1,152,873
<u>CURRENT LIABILITIES</u>		
Trade and Other Payables	65,726	93,052
Short Term Borrowings	136,042	136,000
Hire Purchase Payables	424	315
Provision for Taxation	12,934	9,766
	215,126	239,133
TOTAL LIABILITIES	1,337,043	1,392,006
TOTAL EQUITY AND LIABILITIES	1,666,190	1,710,078
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (RM)	1.41	1.34

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

ENCORP BERHAD

(Company No: 506836-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2009**

	Attributable to Equity Holders of the Parent				Total	Minority Interest	Total Equity
	Non - Distributable		Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Accumulated Losses RM'000			
At 1 January 2009	223,509	(6,673)	103,563	(25,465)	294,934	23,138	318,072
Profit for the period	-	-	-	9,176	9,176	4,384	13,560
Dividend paid	-	-	-	-	-	(1,665)	(1,665)
Purchase of treasury shares	-	(820)	-	-	(820)	-	(820)
At 31 March 2009	<u>223,509</u>	<u>(7,493)</u>	<u>103,563</u>	<u>(16,289)</u>	<u>303,290</u>	<u>25,857</u>	<u>329,147</u>
At 1 January 2008	223,509	-	103,563	(40,196)	286,876	6,838	293,714
Profit for the period	-	-	-	4,408	4,408	1,785	6,193
At 31 March 2008	<u>223,509</u>	<u>-</u>	<u>103,563</u>	<u>(35,788)</u>	<u>291,284</u>	<u>8,623</u>	<u>299,907</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 FOR THE QUARTER ENDED 31 MARCH 2009**

	← Unaudited → ← 3 Months Ended → 31 Mar 09 RM'000	31 Mar 08 RM'000
Cash Flows From Operating Activities		
Profit before taxation	18,446	8,207
Adjustments for:		
Depreciation	213	215
Impairment of goodwill on consolidation	2,570	1,985
Interest expenses	25,475	26,050
Interest income	(788)	(1,420)
Operating profit before working capital changes	45,916	35,037
Changes in working capital:		
Net changes in current assets	(24,358)	(8,087)
Net changes in current liabilities	(27,326)	(6,806)
Cash generated from operations	(5,768)	20,144
Income taxes paid	(1,658)	(4,222)
Interest paid	(8)	(11)
Net cash generated from operating activities	(7,434)	15,911
Cash Flows From Investing Activities		
Development costs	17,461	89
Purchase of treasury shares	(820)	-
Interest received	788	1,420
Proceeds from disposal of property, plant and equipment	35	-
Purchase of property, plant and equipment	(134)	-
Net cash (used in)/generated from investing activities	17,330	1,509

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 FOR THE QUARTER ENDED 31 MARCH 2009**

	← Unaudited →	
	← 3 Months Ended →	
	31 Mar 09	31 Mar 08
	RM'000	RM'000
Cash Flows From Financing Activities		
Redemption of ABBA Notes	(56,300)	(56,300)
Repayment of advances	-	-
Dividends paid	(1,665)	-
Placement of deposits pledged	32,085	35,032
Repayment of hire purchase	(78)	(74)
Net cash used in financing activities	<u>(25,958)</u>	<u>(21,342)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(16,062)	(3,922)
Cash and Cash Equivalents At Beginning of Period	<u>40,297</u>	<u>108,448</u>
Cash and Cash Equivalents At End of Period	<u>24,235</u>	<u>104,526</u>
Cash and cash equivalents comprise the following: -		
Cash deposits placed with:		
- Licensed banks	12,184	47,745
- Licensed corporation	33,755	91,371
Cash and bank balances	85	8,025
	<u>46,024</u>	<u>147,141</u>
Short term investments in Fixed Maturity Plan Funds	91,445	49,500
Less: Bank balance and deposits pledged / designated	(113,234)	(92,115)
Cash and Cash Equivalents At End of Period	<u>24,235</u>	<u>104,526</u>

The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

ENCORP BERHAD (506836-X)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009

A. Explanatory Notes Pursuant to FRS 134: Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards (FRS) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Encorp Berhad Group ("the Group") since the financial year ended 31 December 2008.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements.

A2. Auditors' Report on Preceding Annual Financial Statements

The Group's latest audited financial statements for the financial year ended 31 December 2008 were not subject to any qualification.

A3. Seasonal or Cyclical Factors of Operations

The Group's operations are not materially affected by any seasonal or cyclical factors.

A4. Unusual Items Due to Their Nature, Size or Incidences

There were no unusual items affecting the nature and amount of assets, liabilities, equity, net income and cash flows of the Group during the current quarter under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in the current quarter or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

A6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the current quarter ended 31 March 2009 except for the following: -

a) Repayment	RM'000
Tranches 1 and 2 of Encorp Systembilt Sdn Bhd's ("ESSB") Al-Bai Bithaman Ajil Notes ("Baids")	<u>56,300</u>

Encorp Systembilt Sdn Bhd, a wholly owned subsidiary of Encorp Berhad, has issued four tranches of bonds with a total nominal value of RM2.75 billion. The net present value of the outstanding bonds as at 31 March 2009 is RM1.15 billion. The bonds are collateralised by the cash flows generated from the concession and do not have any recourse to other companies within the Group.

b) For the current quarter ended 31 March 2009, the Group has repurchased 1,219,000 ordinary shares of RM1.00 each from the open market for a total cost of approximately RM820,000 at prices ranging from RM0.61 to RM0.72 per share. These shares have been retained as treasury shares of the Company.

A7. Dividends Paid

No dividends were paid during the current quarter ended 31 March 2009.

**ENCORP BERHAD (506836-X)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009**

A8. Segmental Reporting

The Group's segment revenue and results are presented by industry segments for the current quarter ended 31 March 2009 as follows: -

Segment Revenue	Investment Holding RM'000	Property Development RM'000	Construction RM'000	Trading RM'000	Other * RM'000	Elimination RM'000	Consolidated RM'000
- External sales	-	41,093	-	-	29,077	-	70,170
- Inter-segment sales	6,810	-	1,456	-	-	(8,266)	-
Total revenue	6,810	41,093	1,456	-	29,077	(8,266)	70,170
Results							
Segment results	5,003	19,364	(1,720)	(29)	28,335	(7,820)	43,133
- Segment results	(8)	-	-	-	(25,467)	-	(25,475)
- Interest expenses	107	136	-	-	545	-	788
- Interest income	(1,365)	(4,886)	-	-	-	1,365	(4,886)
- Income tax expense							13,560
Profit for the financial period							13,560
Profit attributable to:							
Equity holders of the parent							9,176
Minority interest							4,384
							13,560

* This segment refers to the concessionaire to build and transfer teachers' quarters to the Government of Malaysia.

ENCORP BERHAD (506836-X)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009

A9. Valuation of Property, Plant and Equipment

There were no valuation for property, plant and equipment of the Group during the current quarter.

A10. Material Events Subsequent to the Balance Sheet Date

Subsequent to the end of the current quarter, the Group has repurchased 511,000 ordinary shares of RM1.00 each from the open market for a total cost of approximately RM368,000 at prices ranging from RM0.66 to RM0.83 per share. The repurchased shares are held as treasury shares. As at the date of this report, the total number of treasury shares held is 9,371,800.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review, including business combination, acquisition or disposal of subsidiary and long-term investment, restructuring and discontinuing operations, except for the following:-

a) On 7 January 2009, Encorp Trading Services Sdn Bhd ("ETSSB") was incorporated as a wholly-owned subsidiary of Encorp Construct Sdn Bhd ("ECSB") with a paid-up capital of 2 ordinary shares of RM1 each. The principal activity of ETSSB is general trading.

Subsequently on 13 Feb 2009, the paid-up capital was increased to 100,000 ordinary shares of RM1 each.

b) On 13 March 2009, Encorp Must Sdn Bhd acquired 2 ordinary shares of RM1.00 each representing the entire paid-up capital of Encorp Development Sdn Bhd ("EDSB") for RM2. The principal activity of EDSB is property development.

A12. Changes in Contingent Liabilities

	As at 31 Mar 09 RM'000	As at 31 Dec 08 RM'000
Contingent liabilities:		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	<u>7,599</u>	<u>2,461</u>

B. Additional Information Required Pursuant to Bursa Securities Listing Requirements.

B1. Review of Performance of the Company and its Principal Subsidiaries

The Group achieved a revenue of RM70.17 million for the current quarter ended 31 March 2009. The revenue is attributed to the sales from the property development and the annuity interest income arising from the completion and handover of the teachers' quarters.

The Group's profit before tax for the same quarter is RM18.45 million. It is mainly derived from the development projects in the subsidiaries and the teachers' quarters.

B2. Comparison with Immediate Preceding Quarter

For the current quarter under review, the Group recorded a profit before tax of RM18.45 million as compared to RM23.52 million in the immediate preceding quarter. The decrease in profit in the current quarter as compared to the preceding quarter is due mainly to the lower progress of works on the property development projects.

ENCORP BERHAD (506836-X)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009

B3. Commentary on Prospects

The settlement of the final accounts of the teachers' quarters project has resulted in a constant stream of income to the Group which will expire in year 2028. Revenue will be further derived from the development and the sale of the properties and construction contracts in subsidiary companies.

B4. Variance from Forecast Profit and Profit Guarantee

Not applicable for current quarter.

B5. Income Tax Expense

	Current Quarter Ended 31 Mar 09 RM'000	Current Year-To-Date 31 Mar 09 RM'000
Income tax	(4,826)	(4,826)
Deferred tax	<u>(60)</u>	<u>(60)</u>
	<u><u>(4,886)</u></u>	<u><u>(4,886)</u></u>

The effective tax rate is higher than the statutory rate mainly due to certain expenses being disallowed for tax deduction.

B6. Disposal of Unquoted Investments and/or Properties

Apart from the disposal of short term investments in Fixed Maturity Plan Funds, there were no other disposal of unquoted investments and/or properties for the current quarter under review.

B7. Purchase or Disposal of Quoted Securities

There were no purchase and disposal of quoted securities for the current quarter under review.

B8. Status of Corporate Proposals

There were no outstanding corporate proposals.

B9. Group Borrowings

The Group borrowings as at 31 March 2009 comprise: -

	RM'000
<u>Short Term Borrowings - Payable Within 12 Months</u>	
Hire purchase payables	424
Advance	8,000
Al-Bai Bithaman Ajil Notes - secured	<u>128,042</u>
	<u>136,466</u>
<u>Long Term Borrowings - Payable After 12 Months</u>	
Hire purchase payables	364
Al-Bai Bithaman Ajil Notes - secured	<u>1,025,418</u>
	<u>1,025,782</u>
Total group borrowings	<u><u>1,162,248</u></u>

ENCORP BERHAD (506836-X)
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2009

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk at the date of this report.

B11. Changes in Material Litigation

There is an arbitration proceeding between a subsidiary ("Subsidiary") and one of the Subsidiary's contractors ("Contractor") in respect of claims arising from the Teachers' Quarters Project undertaken by the Contractor. From the total claims submitted by the Contractor, a portion thereof has been certified and paid by the Subsidiary. The balance of the claims amounting to approximately RM5 million comprises claims due to the late delivery of the site to the Contractor, claims for extension of time and head office costs which the Subsidiary is disputing. At the same time, the Subsidiary is pursuing its counter claim against the Contractor. The arbitration proceeding has been fixed for continued hearing from 3 to 7 August 2009.

B12. Dividends

No dividend has been proposed or declared for the current quarter.

B13. Basic Earnings Per Share

	Current quarter ended 31 Mar 09	Current year-to-date 31 Mar 09
	<u>RM'000</u>	<u>RM'000</u>
Attributable to ordinary equity holders of the parent Profit attributable to equity holders of the parent (RM'000)	<u>9,176</u>	<u>9,176</u>
Weighted average number of ordinary shares in issue ('000)	<u>215,113</u>	<u>215,113</u>
Basic earnings per ordinary share (Sen)	<u>4.27</u>	<u>4.27</u>

There is no diluted earnings per share as there were no dilutive potential ordinary shares.

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 May 2009.

By Order of the Board
ENCORP BERHAD (506836-X)

Chua Siew Chuan
Lee Lay Hong
 Company Secretaries

20 May 2009