

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

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2009**  
(Unaudited)

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**CONDENSED CONSOLIDATED INCOME STATEMENTS  
 FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	← Unaudited →		← Unaudited →	
	← Individual Quarter →		← Cumulative Quarters →	
	Current Quarter Ended 30 Sept 09 RM'000	Preceding Year Corresponding Quarter 30 Sept 08 RM'000	Current Year To Date 30 Sept 09 RM'000	Preceding Year Corresponding Period 30 Sept 08 RM'000
Revenue	50,462	78,927	159,219	206,289
Cost of Sales	<u>(16,932)</u>	<u>(26,345)</u>	<u>(43,615)</u>	<u>(65,783)</u>
Gross Profit	33,530	52,582	115,604	140,506
Other Income	3,008	1,532	8,408	4,294
Selling and Marketing Expenses	(127)	(467)	(470)	(687)
Administrative Expenses	(3,764)	(2,877)	(9,308)	(8,722)
Other Expenses	(1,793)	(3,069)	(6,321)	(8,206)
Finance Costs	<u>(25,475)</u>	<u>(26,049)</u>	<u>(76,425)</u>	<u>(78,149)</u>
Profit Before Tax	5,379	21,652	31,488	49,036
Income Tax Expense	<u>(863)</u>	<u>(6,795)</u>	<u>(7,675)</u>	<u>(12,878)</u>
Profit After Tax	<u>4,516</u>	<u>14,857</u>	<u>23,813</u>	<u>36,158</u>
Attributable To:				
Equity Holders of The Parent	4,098	10,147	18,158	25,239
Minority Interest	<u>418</u>	<u>4,710</u>	<u>5,655</u>	<u>10,919</u>
	<u>4,516</u>	<u>14,857</u>	<u>23,813</u>	<u>36,158</u>
Earnings Per Share Attributable				
To Equity Holders of The Parent (Sen):				
Basic, For Profit For The Period	<u>1.91</u>	<u>4.59</u>	<u>8.47</u>	<u>11.43</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 30 SEPTEMBER 2009**

	<b>Unaudited As At 30 Sept 09 RM'000</b>	<b>Audited As At 31 Dec 08 RM'000</b>
<b>ASSETS</b>		
<u>NON-CURRENT ASSETS</u>		
PROPERTY, PLANT AND EQUIPMENT	5,093	5,325
LAND HELD FOR PROPERTY DEVELOPMENT	60,482	60,482
GOODWILL ON CONSOLIDATION	124,816	130,479
CONCESSION INCOME RECEIVABLES	999,699	1,026,426
DEFERRED TAX ASSETS	2,978	76
<u>CURRENT ASSETS</u>		
Property Development Costs	135,505	123,261
Inventory	496	393
Trade and Other Receivables	191,645	177,085
Tax Recoverable	851	935
Short term investment	108,087	104,300
Deposits, Cash and Bank Balances	27,181	81,316
	<u>463,765</u>	<u>487,290</u>
<b>TOTAL ASSETS</b>	<b><u>1,656,833</u></b>	<b><u>1,710,078</u></b>

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 30 SEPTEMBER 2009**

	<b>Unaudited As At 30 Sept 09 RM'000</b>	<b>Audited As At 31 Dec 08 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
SHARE CAPITAL	223,509	223,509
TREASURY SHARES	(8,421)	(6,673)
SHARE PREMIUM	103,563	103,563
ACCUMULATED LOSS	(7,307)	(25,465)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	311,344	294,934
MINORITY INTEREST	27,128	23,138
TOTAL EQUITY	338,472	318,072
<b><u>NON-CURRENT LIABILITIES</u></b>		
Trade Payables	66,041	66,041
Long Term Borrowings	1,012,373	1,056,293
Deferred Taxation	31,058	30,094
Hire Purchase Payables	200	445
	1,109,672	1,152,873
<b><u>CURRENT LIABILITIES</u></b>		
Trade and Other Payables	67,954	93,052
Short Term Borrowings	136,042	136,000
Hire Purchase Payables	412	315
Provision for Taxation	4,281	9,766
	208,689	239,133
TOTAL LIABILITIES	1,318,361	1,392,006
TOTAL EQUITY AND LIABILITIES	1,656,833	1,710,078
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (RM)	1.45	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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Attributable to Equity Holders of the Parent					Minority Interest RM'000	Total Equity RM'000
	Non - Distributable			Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Losses RM'000	Total RM'000		
<b>9 months ended 30 Sept 2009</b>							
At 1 January 2009	223,509	(6,673)	103,563	(25,465)	294,934	23,138	318,072
Profit for the period	-	-	-	18,158	18,158	5,655	23,813
Dividend paid	-	-	-	-	-	(1,665)	(1,665)
Purchase of treasury shares	-	(1,748)	-	-	(1,748)	-	(1,748)
At 30 September 2009	<u>223,509</u>	<u>(8,421)</u>	<u>103,563</u>	<u>(7,307)</u>	<u>311,344</u>	<u>27,128</u>	<u>338,472</u>
<b>9 months ended 30 Sept 2008</b>							
At 1 January 2008	223,509	-	103,563	(40,196)	286,876	6,838	293,714
Profit for the period	-	-	-	25,239	25,239	10,919	36,158
Dividends	-	-	-	(11,018)	(11,018)	-	(11,018)
Purchase of treasury shares	-	(6,494)	-	-	(6,494)	-	(6,494)
At 30 September 2008	<u>223,509</u>	<u>(6,494)</u>	<u>103,563</u>	<u>(25,975)</u>	<u>294,603</u>	<u>17,757</u>	<u>312,360</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 30 SEPTEMBER 2009**

	← Unaudited → ← 9 Months Ended → 30 Sept 09 RM'000	30 Sept 08 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	31,488	49,036
Adjustments for:		
Depreciation	661	640
Impairment of goodwill on consolidation	5,663	7,566
Interest expenses	76,425	78,149
Interest income	(2,038)	(4,278)
	<hr/>	<hr/>
Operating profit before working capital changes	112,199	131,113
Changes in working capital:		
Net changes in current assets	12,065	18,808
Net changes in current liabilities	(25,097)	(58,940)
	<hr/>	<hr/>
Cash generated from operations	99,167	90,981
Income taxes paid	(15,015)	(9,431)
Interest paid	(24)	(31)
Tax refund	-	1,317
	<hr/>	<hr/>
Net cash generated from operating activities	84,128	82,836
<b>Cash Flows From Investing Activities</b>		
Development costs	(12,244)	(202)
Purchase of treasury shares	(1,748)	(6,494)
Interest received	2,038	4,278
Purchase of property, plant and equipment	(429)	(76)
Net cash used in investing activities	(12,383)	(2,494)

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 30 SEPTEMBER 2009**

	← Unaudited →	
	← 9 Months Ended →	
	30 Sept 09	30 Sept 08
	RM'000	RM'000
<b>Cash Flows From Financing Activities</b>		
Redemption of ABBA Notes	(120,279)	(120,280)
Dividends paid	(1,665)	(11,018)
Release of deposits pledged	26,799	12,855
Repayment of hire purchase	(149)	(224)
Net cash used in financing activities	<u>(95,294)</u>	<u>(118,667)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(23,549)	(38,325)
<b>Cash and Cash Equivalents At Beginning of Period</b>	<u>40,297</u>	<u>108,448</u>
<b>Cash and Cash Equivalents At End of Period</b>	<b><u>16,748</u></b>	<b><u>70,123</u></b>
Cash and cash equivalents comprise the following: -		
Cash deposits placed with:		
- Licensed banks	15,587	23,432
- Licensed corporation	4,543	108,162
Cash and bank balances	<u>7,051</u>	<u>7,683</u>
	27,181	139,277
Short term investments in Fixed Maturity Plan Funds	108,087	45,138
Less: Bank balance and deposits pledged / designated	<u>(118,520)</u>	<u>(114,292)</u>
<b>Cash and Cash Equivalents At End of Period</b>	<b><u>16,748</u></b>	<b><u>70,123</u></b>

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 30 SEPTEMBER 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 30 September 2009 except for the following: -

a) Repayment	<b>RM'000</b>
Tranches 1, 2 and 3 of Encorp Systembilt Sdn Bhd's ("ESSB") Al-Bai Bithaman Ajil Notes ("Baids")	<u>120,279</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 30 September 2009 is RM1.14 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 30 September 2009, the Group has repurchased 314,500 ordinary shares of RM1.00 each from the open market for a total cost of approximately RM288,000 at prices ranging from RM0.80 to RM0.99 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 30 September 2009.



**ENCORP BERHAD (506836-X)  
EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

**A8. Segmental Reporting**

The Group's segment revenue and results are presented by industry segments for the current quarter ended 30 September 2009 as follows: -

Segment Revenue	Investment Holding RM'000	Property Development RM'000	Construction RM'000	Trading RM'000	Concession Income RM'000	Elimination RM'000	Consolidated RM'000
- External sales	-	58,433	9,838	3,718	87,230	-	159,219
- Inter-segment sales	9,930	-	1,951	-	-	(11,881)	-
Total revenue	9,930	58,433	11,789	3,718	87,230	(11,881)	159,219
<b>Results</b>							
Segment results	3,797	25,115	(1,104)	265	88,715	(10,913)	105,875
- Segment results	(24)	-	-	-	(76,401)	-	(76,425)
- Interest expenses	213	281	2	-	1,542	-	2,038
- Interest income	(1,461)	(6,547)	-	(67)	(965)	1,365	(7,675)
- Income tax expense							23,813
Profit for the financial period							18,158

Profit attributable to:

Equity holders of the parent

Minority interest

18,158  
5,655  
23,813

**ENCORP BERHAD (506836-X)**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 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 264,000 ordinary shares of RM1.00 each from the open market for a total cost of approximately RM243,000 at prices ranging from RM0.90 to RM0.93 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 10,263,000.

**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 operation.

**A12. Changes in Contingent Liabilities**

	As at 30 Sept 09 RM'000	As at 31 Dec 08 RM'000
<b>Contingent liabilities:</b>		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	8,599	2,461

**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 RM159.22 million for the current financial period ended 30 September 2009. The revenue is attributed to the sales from the property development, contract revenue and the annuity interest income arising from the completion and handover of the teachers' quarters.

The Group's profit before tax for the same financial period is RM31.49 million. It is mainly derived from the development projects in the subsidiaries and the concession income from the teachers' quarters.

**B2. Comparison with Immediate Preceding Quarter**

For the current quarter under review, the Group recorded a profit before tax of RM5.38 million as compared to RM7.67 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 completion and handover of the property development projects such as The Strand shop office, Jasmine 1 and Jasmine 2, whilst revenue from new contracts and property projects at the early stages of development are not recognised during the quarter.

**ENCORP BERHAD (506836-X)**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

**B3. Commentary on Prospects**

The completion 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.

During the quarter under review, the Group's results reflect the challenging business operating environment. However, with the sign of recovery from both the global and domestic financial crisis and a track record of good appreciation in value of its project property, the Group expects its up-coming launches of residential and commercial property development projects will continue to contribute positively to the Group's earnings.

**B4. Variance from Forecast Profit and Profit Guarantee**

Not applicable for current quarter.

**B5. Income Tax Expense**

	<b>Current Quarter Ended 30 Sept 09 RM'000</b>	<b>Current Year-To-Date 30 Sept 09 RM'000</b>
Income tax	(3,782)	(10,578)
Deferred tax	2,919	2,903
	<u>(863)</u>	<u>(7,675)</u>

The effective tax rate is lower than the statutory rate mainly due to utilisation of the business losses in prior year.

**B6. Disposal of Unquoted Investments and/or Properties**

Except for 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 30 September 2009 comprise: -

	<b>RM'000</b>
<b><u>Short Term Borrowings - Payable Within 12 Months</u></b>	
Hire purchase payables	412
Advance	8,000
Al-Bai Bithaman Ajil Notes - secured	<u>128,042</u>
	<u>136,454</u>
<b><u>Long Term Borrowings - Payable After 12 Months</u></b>	
Hire purchase payables	200
Al-Bai Bithaman Ajil Notes - secured	<u>1,012,373</u>
	<u>1,012,573</u>
<b>Total group borrowings</b>	<b><u>1,149,027</u></b>

**ENCORP BERHAD (506836-X)**  
**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 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 1 to 4 December 2009.

**B12. Dividends**

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

**B13. Basic Earnings Per Share**

	<b>Current quarter ended 30 Sept 09</b>	<b>Current year-to-date 30 Sept 09</b>
	RM'000	RM'000
Attributable to ordinary equity holders of the parent Profit attributable to equity holders of the parent (RM'000)	<u><u>4,098</u></u>	<u><u>18,158</u></u>
Weighted average number of ordinary shares in issue ('000)	<u><u>214,317</u></u>	<u><u>214,317</u></u>
<b>Basic earnings per ordinary share (Sen)</b>	<u><u>1.91</u></u>	<u><u>8.47</u></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 19 November 2009.

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

**Chua Siew Chuan**  
**Lee Lay Hong**  
 Company Secretaries

19 November 2009