



**INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE
ENDED 31 MARCH 2012
(UNAUDITED)**

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

	Quarter and Year-to-date ended	
	31.03.2012	31.03.2011
	<i>Unaudited</i>	<i>Unaudited</i>
	RM'000	RM'000
Revenue	58,786	63,351
Cost of sales	(22,758)	(31,334)
Gross profit	<u>36,028</u>	<u>32,017</u>
Other income	1,072	1,920
Marketing and distribution	(1,180)	(671)
Administrative expenses	(6,176)	(7,119)
Other expenses	(2,344)	(1,794)
Finance costs	(25,259)	(24,712)
Profit before tax	<u>2,141</u>	<u>(359)</u>
Income tax expense	(2,284)	(113)
Profit net of tax	<u>(143)</u>	<u>(472)</u>
Other comprehensive income, net of tax		
Foreign currency translation	(12)	(363)
Total comprehensive income for the period	<u>(155)</u>	<u>(835)</u>
Profit attributable to:		
Owners of the parent	(1,517)	(378)
Minority interests	1,374	(94)
	<u>(143)</u>	<u>(472)</u>
Total comprehensive income attributable to:		
Owners of the parent	(1,529)	(741)
Minority interests	1,374	(94)
	<u>(155)</u>	<u>(835)</u>
Earning per share attributable to owner of the parent (sen)		
Basic EPS	<u>(0.70)</u>	<u>(0.17)</u>
Diluted EPS	<u>(0.53)</u>	<u>(0.13)</u>

The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012**

	As at 31.03.2012 <i>Unaudited</i> RM'000	As at 31.12.2011 <i>Audited</i> RM'000
Assets		
Non-current assets		
Property, plant and equipment	15,812	12,222
Intangible assets	109,088	111,059
Land held for property development	32,123	32,062
Trade receivables	1,056,166	1,063,117
Deferred tax assets	1,839	1,653
	<u>1,215,028</u>	<u>1,220,113</u>
Current assets		
Property development cost	232,140	223,092
Inventories	44,607	44,615
Tax recoverable	534	514
Trade and other receivables	98,563	130,576
Short term investment	137,720	118,074
Cash and bank balances	31,768	30,927
	<u>545,332</u>	<u>547,798</u>
Total assets	<u>1,760,360</u>	<u>1,767,911</u>

ENCORP BERHAD (506836-X)
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2012 (contd.)**

	As at 31.03.2012 <i>Unaudited</i> RM'000	As at 31.12.2011 <i>Audited</i> RM'000
Equity and liabilities		
Current liabilities		
Trade and other payables	131,627	118,691
Loans and borrowings	104,948	97,575
Income tax payables	1,885	1,943
	<u>238,460</u>	<u>218,209</u>
Non-current liabilities		
Trade payables	24,226	30,308
Loans and borrowings	1,108,778	1,131,144
Deferred tax liabilities	9,253	8,452
	<u>1,142,257</u>	<u>1,169,904</u>
Total liabilities	<u>1,380,717</u>	<u>1,388,113</u>
Equity attributable to owners of parent		
Share capital	223,509	223,509
Treasury shares	(4,559)	(4,559)
Share premium	102,435	102,435
Other reserve	7,284	7,297
Retained profit / (Accumulated losses)	17,357	18,873
	<u>346,026</u>	<u>347,555</u>
Minority interest	33,617	32,243
Total equity	<u>379,643</u>	<u>379,798</u>
Total equity and liabilities	<u>1,760,360</u>	<u>1,767,911</u>

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2012**

RM'000	← Non-distributable →					Distributable		Total	Minority interest	Total equity
	Share capital	Share premium	Treasury shares	Warrants reserves	Equity component of RCLS	Foreign currency translation reserve	Retained Profit / (Accumulated losses)			
At 1 January 2012	223,509	102,435	(4,559)	4,681	874	1,741	18,874	347,555	32,243	379,798
Total comprehensive income for the period	-	-	-	-	-	(12)	(1,517)	(1,529)	1,374	(155)
Transaction with owners:										
Issuance of RCLS	-	-	-	-	-	-	-	-	-	-
Right issue expense	-	-	-	-	-	-	-	-	-	-
At 31 March 2012	223,509	102,435	(4,559)	4,681	874	1,729	17,357	346,026	33,617	379,643
At 1 January 2011	223,509	104,574	(4,559)	-	-	1,715	(5,695)	319,544	26,724	346,268
Total comprehensive income for the period	-	-	-	-	-	(363)	(378)	(741)	(94)	(835)
Transaction with owners:										
Issuance of RCLS	-	-	-	4,772	784	-	-	5,556	-	5,556
Right issue expense	-	(2,018)	-	-	-	-	-	(2,018)	-	(2,018)
	-	(2,018)	-	4,772	784	-	-	3,538	-	3,538
At 31 March 2011	223,509	102,556	(4,559)	4,772	784	1,352	(6,073)	322,341	26,630	348,971

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2012**

	Year-to-date ended	
	31.03.2012	31.03.2011
	<i>Unaudited</i>	<i>Unaudited</i>
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	2,141	(359)
Adjustments:		
Depreciation	378	244
Amortisation of intangible assets	90	92
Impairment of goodwill on consolidation	1,876	1,458
Distribution income from Fixed Maturity Fund	(846)	-
Net (gain)/ loss on disposal of property, plant and equipment	-	(938)
Loss/(gain) on disposal of short term investment	58	-
Interest expenses	25,218	24,712
Interest income	(100)	(118)
Operating profit before working capital changes	28,815	25,091
Changes in working capital:		
Net changes in current assets	38,909	73,584
Net changes in current liabilities	6,855	(20,051)
Net changes in property development cost	(9,048)	(8,341)
Cash generated from operations	65,531	70,283
Income tax paid	(492)	(934)
Interest paid	(1,746)	(380)
Net cash generated from operating activities	63,293	68,969
Cash flows from investing activities		
Interest received	888	118
Proceeds from disposal of property, plant and equipment	-	3,887
Purchase of property, plant and equipment	(3,962)	(302)
Net cash generated from/ (used in) investing activities	(3,074)	3,703

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2012 (contd.)**

	Year-to-date ended	
	31.03.2012 <i>Unaudited</i> RM'000	31.03.2011 <i>Unaudited</i> RM'000
Cash flows from financing activities		
Redemption of ABBA Notes	(56,300)	(56,300)
Proceeds from RCSLS	-	65,706
Right issue expense	-	(2,018)
Net proceeds from term loans	(4,191)	1,013
Placement of deposits pledged	-	(81,650)
Repayment of revolving credit	(1,350)	-
Repayment of hire purchase and finance lease	(398)	(186)
Net cash used in financing activities	(62,239)	(73,435)
Net increase in cash and cash equivalents	(2,020)	(763)
Effect of exchange rate changes	(12)	-
Cash and cash equivalents at beginning of period	11,891	10,779
Cash and cash equivalents at end of period	9,859	10,016
Cash and cash equivalents comprise the followings:		
Cash deposits placed with:		
- Licensed banks	6,470	13,105
- Licensed corporation	584	62,323
Cash and bank balances	24,715	13,591
Bank overdrafts	-	-
	31,769	89,019
Short term investments in Fixed Maturity Funds	137,720	126,781
Less: Bank balances and deposits pledged / designated	(159,630)	(205,784)
Cash and cash equivalents at end of period	9,859	10,016

The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Financial instruments have been fair valued in accordance to FRS 139 Financial Instruments: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 the Group since the year ended 31 December 2011.

A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2011, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2012.

a) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2012, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax Recovery of Underlying Assets
FRS 124	Related Party Disclosures

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financial of the Group.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

A2. Significant accounting policies (contd.)

b) New Malaysian Financial Reporting Framework

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of the entities that are within the scope of MFRS141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (Transitioning Entities). The adoption of MFRS Framework for Transitioning Entities will be allowed to defer for an additional one year and will only be mandatory for adoption for annual period beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013.

The Group is currently assessing the implications and financial impact of the MFRS Framework.

c) FRS, IC Interpretations and Amendments to IC Interpretation but not yet effective

At the date of authorisation of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretation and Amendments to IC Interpretation		Effective for annual periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statement	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interest in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7	Disclosure - Offsetting Financial Assets Financial Liabilities	1 January 2014
FRS 10	Financial Instruments	1 January 2015

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

A3. Auditors' Report on Preceding Annual Financial Statements

The Group's latest audited financial statements for the financial year ended 31 December 2011 were not subject to any qualification.

A4. Comments about seasonal or cyclical factors

The Group's performance is not affected by any seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period.

A6. Debt and equity securities

There were no issuances, cancellation, repurchases, resales and repayments of debt and equity securities for the financial period ended 31 March 2012 except for the followings:

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

The ABBA Notes were issued by a subsidiary company, ESSB, to finance the planning, design construction and completion costs of 10,000 units of teachers' quarters for the Government of Malaysia. All ABBA Notes are secured by the assignment of the contract Concession Payments and the Project Escrow Account, and a negative pledge on all assets of ESSB. ESSB is a special purpose vehicle and these ABBA notes raised do not have any financial recourse to the Group.

b) Treasury shares

As at the date of this report, the total number of treasury shares held was 5,386,000.

A7. Dividends paid

No dividends were paid during the financial period ended 31 March 2012.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

A8. Segmental information

The Group's segment revenue and results are presented by industry segments for the year-to-date ended 31 March 2012 as follows: -

	Investment holding RM'000	Concessionaire RM'000	Construction RM'000	Property development RM'000	Others* RM'000	Eliminations RM'000	Consolidated RM'000
Revenue							
External customers	-	27,239	4,503	26,213	831	-	58,786
Inter-segment	5,224	-	16,968	648	2,854	(25,694)	-
Total Revenue	5,224	27,239	21,471	26,861	3,685	(25,694)	58,786
Results:							
Segment results	1,294	27,434	(621)	5,948	(332)	(4,078)	29,644
Interest income	7	10	17	66	-	-	100
Interest expense	(1,534)	(23,388)	(9)	(328)	-	-	(25,259)
Depreciation and amortisation	(306)	-	(91)	(31)	(40)	-	(468)
Impairment of goodwill on consolidation	-	-	-	-	-	(1,876)	(1,876)
(Loss)/ Profit before tax	(539)	4,055	(704)	5,655	(372)	(5,954)	2,141

* This segment represents Trading and Food and Beverage divisions

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Valuation of property, plant and equipment

There were no valuation for property, plant and equipment of the Group during the financial period ended 31 March 2012.

A10. Material events subsequent to the balance sheet date

There were no material events subsequent to the financial period ended 31 March 2012 up to the date of this report.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2012 including business combination, acquisition or disposal of subsidiary and long-term investment, restructuring and discontinuing operation.

A12. Changes in contingent liabilities

	As at 31.03.2012 RM'000	As at 31.03.2011 RM'000
Contingent liabilities:		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	40,794	29,636
Corporate guarantee given to suppliers in favour of credit facility granted to subsidiaries	66	39
	<u>40,860</u>	<u>29,675</u>

A13. Capital commitments

	As at 31.03.2012 RM'000	As at 31.03.2011 RM'000
Capital expenditure		
Approved and contracted for:		
Land held for property development	23,301	23,301
	<u>23,301</u>	<u>23,301</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

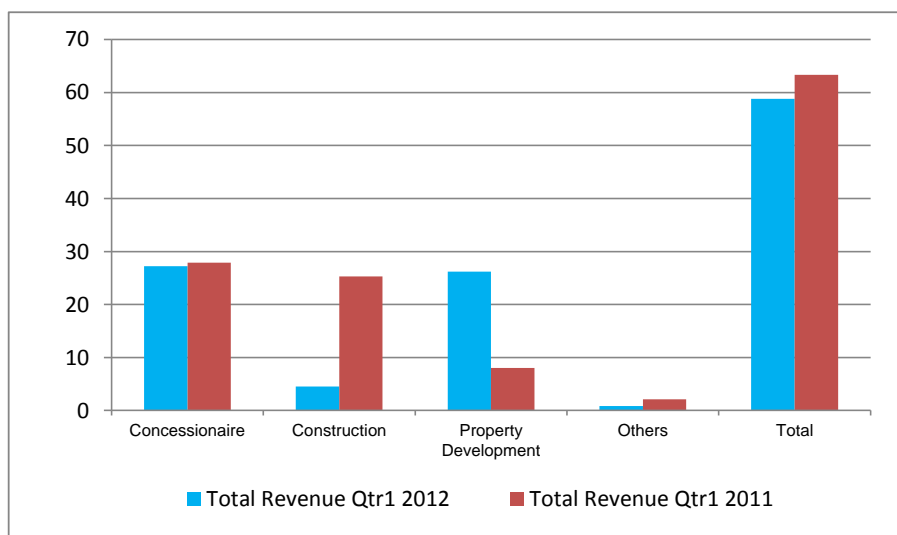
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA**

B1. Performance review

a) 1Q12 vs. 1Q11 & 3M12 vs. 3M11

The Group's revenue for the quarter ended 31 March 2012 (1Q12) decreased by RM4.6 million to RM58.8 million as compared to RM63.4 million in preceding quarter ended 31 March 2011 (1Q11). The marginal decrease in turnover was mainly attributable to the lower level of construction activities by the Construction Division. However, the Group recorded an increase of 13% in gross profit mainly due to higher sales and workdone in the Property Division which command higher margin.

Accordingly, the Group recorded a profit before tax ("PBT") of RM2.1 million in 1Q12 as compared to RM0.4 million loss before tax for 1Q11.



Property

Revenue for property development division increased by 252% to RM26.2 million in 1Q12 from RM8.0 million recorded in 1Q11. The PBT for the division increased from a loss of RM0.6 million to RM5.6 million recorded in 1Q12. The improved performance is derived from new sales and higher progress of works in 1Q12.

Construction

Revenue for construction division decreased by 82% to RM4.5 million in 1Q12 from RM25.3 million recorded in 1Q11. This is mainly due to the completion of projects in 2011 including Sarawak School and Rawang Factory. The on going project of double track is approaching completion of which the revenue is lower. In addition, the Construction Division is actively involved in the in-house projects amounting to RM139 million to assist the Group to achieve a better margin, however this revenue is eliminated at the Group accounts. As a result the division recorded a loss of RM0.8 million in 1Q12 as compared to profit before tax of RM1.6 million recorded in 1Q11.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

B1. Performance review

a) 1Q12 vs. 1Q11 & 3M12 vs. 3M11 - Cont'd

Concession

The concession division continue to provide constant stream of revenue and PBT of RM27.2 million and RM4.1 million respectively in 1Q12 as compared to RM27.9 million and RM3.9 million respectively in 1Q11.

B2. Comparison with Immediate Preceding Quarter

The Group recorded a decrease in revenue by 39% to RM58.8 million as compared to RM95.8 million registered in the preceding quarter. The Group's PBT decreased by RM5 million or 70% to RM2.1 million in 1Q12 as compared to the PBT of RM7.1 million in the immediate preceding quarter. The higher profit in preceeding quarter was due to the higher revenue recognised from the launches and progress of works for property projects.

B3. Commentary on prospects

The unstable global economic outlook due to the financial crisis in the Eurozone and the economic slowdown in most of the major economies as well as the tightening of lending conditions arising from new rules by Bank Negara, the Group expects to have moderate performance for the financial year from its on-going residential and commercial property development projects and construction projects.

The Group has implemented various measures to increase operational efficiencies and to look at innovative concepts to enhance its development and construction projects.

As a result of the completion of the Proposed ESSB Sukuk Murabahah Issue as disclosed in Note B8, the Group generated net cash proceeds of RM93 million for the purpose of working capital of the Group. However, the financial impact on the results of the financial year ending 31 December 2012 is expected to be approximately RM16.9 million due to the increase in finance and other related costs.

B4. Variance from forecast profit and profit guarantee

Not applicable for the financial period ended 31 March 2012.

B5. Income tax expense

	Quarter and Year-to-date ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Income tax	(1,669)	(2,358)
Deferred tax	(615)	2,245
	<u>(2,284)</u>	<u>(113)</u>

Income tax in calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the year.

The effective tax rate for the Group for the financial period is higher than the statutory tax rate because certain expenses are not allowable as deduction for tax purposes.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

B6. Disposal of unquoted investments and properties

There were no other disposal of unquoted investments and/or properties for the financial period ended 31 March 2012.

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities for the financial period ended 31 March 2012.

B8. Status of corporate proposals

- (a) On 8 March 2012, the Company announced that Encorp Systembilt Sdn Bhd ('ESSB') has proposed to undertake the issuance of up to RM1,575 million in nominal value of Islamic securities ("Sukuk Murabahah") based on the Shariah principle of Murabahah via Tawarruq arrangement ("Proposed ESSB Sukuk Murabahah Issue"). ESSB has mandated CIMB Investment bank Berhad, Hong Leong Investment Bank Berhad and Kenanga Investment Bank Berhad as the Joint Principal Advisers and Joint Lead Managers in respect of the Proposed ESSB Sukuk Murabahah Issue. RAM Rating Services Berhad has assigned a long-term preliminary rating of AA2 with a stable outlook to the Proposed ESSB Sukuk Murabahah Issue.

On 18 May 2012, the Company announced that the ESSB Sukuk Murabahah Issue has been completed with the issuance of RM1,575 million in nominal value of the Sukuk Murabahah.

- (b) The status of the utilisation of proceeds from the RCSLS as at the end of the financial period is as follows:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation* RM'000	Balance unutilised RM'000	Intended timeframe for utilisation
Capital, Project Development and Construction Expenditures	40,000	40,000	-	-	Within 36 months
Working capitals	23,206	22,612	332	926	Within 36 months
Expenses for the RCSLS	2,500	2,168	(332)	-	Within 12 months
	65,706	64,780	-	926	

* The actual utilisation of the expenses relating to RCSLS is lower than the proposed utilisation. As disclosed and provided for in the Circular to shareholders, the unutilised balance has been re-allocated to working capital.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

B9. Borrowings and debt securities

	As at 31.03.2012 RM'000
Current	
ABBA Notes	63,851
Term loan	32,704
Advances	6,600
Obligations under finance leases and hire purchases	795
RCSLS - liability component	998
	<u>104,948</u>
	As at 31.03.2012 RM'000
Non-current	
ABBA Notes	1,002,642
Term loan	44,979
Obligations under finance leases and hire purchases	1,427
RCSLS - liability component	59,730
	<u>1,108,778</u>
Total Group's loans and borrowings	<u>1,213,726</u>

B10 Off balance sheet financial instruments

There were no off balance sheet financial instruments entered into by the Group as at 31 March 2012 up to 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 hearing for the arbitration proceeding is completed. The parties are awaiting for the Arbitrator to deliver its decision.

B12 Dividends

The Board of Directors declared an interim single-tier dividends of 2 sen per ordinary share in respect of the financial year ending 31 December 2012. The dividend will be paid on 4 July 2012 to the shareholders whose names appear in the Register of Members and Record of Depositors on 20 June 2012.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

B13 Profit for the period

	Quarter and Year-to-date ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
The profit before tax is arrived at after charging / (crediting):		
a) Interest income	(100)	(118)
b) Other income	(1,030)	(864)
c) Interest expense	25,259	24,712
d) Depreciation and amortisation	468	336
e) Provision for and write off of receivables	N/A	N/A
f) Provision for and write off of inventories	N/A	N/A
g) Loss/(gain) on disposal of quoted or unquoted investments or properties	58	-
h) (Gain)/loss on property, plant & equipment	-	(938)
i) Impairment of goodwill	1,876	1,458
j) Foreign exchange gain or loss	N/A	N/A
k) Gain/loss on derivatives; and	N/A	N/A
l) exceptional items	N/A	N/A
	<u>N/A</u>	<u>N/A</u>

N/A denotes not applicable.

B14 Retained Earnings

	As at 31.03.2012	As at 31.03.2011
	RM'000	RM'000
Group		
Realised	206,923	149,992
Unrealised	(8,597)	(307)
	<u>198,326</u>	<u>149,685</u>
Consolidation adjustments	(180,969)	(155,758)
Total retained earnings / (accumulated losses)	<u>17,357</u>	<u>(6,073)</u>

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

B15 Earnings per share

a) Basic EPS

	Quarter and Year-to-date ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Profit attributable to owners of the parent	(1,517)	(378)
Weighted average number of ordinary shares in issue	218,123	218,123
Basic EPS (sen)	(0.70)	(0.17)

b) Diluted EPS

	Quarter and Year-to-date ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Profit attributable to owners of the parent	(1,517)	(378)
Effect on earnings upon conversion of RCCLS	-	-
	(1,517)	(378)
Weighted average number of ordinary shares in issue	218,123	218,123
Effect of dilution	65,706	65,706
Adjusted weighted average number of ordinary shares in issue and issuable	283,829	283,829
Diluted EPS (sen)	(0.53)	(0.13)

B16 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 23 May 2012.

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

Lee Lay Hong
Company Secretary

23 May 2012