



**INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE
ENDED 31 MARCH 2013
(UNAUDITED)**

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

	Quarter and Year-to-date ended	
	31.03.2013	31.03.2012
	<i>Unaudited</i>	<i>Unaudited</i>
	RM'000	RM'000
Revenue	72,117	58,786
Cost of sales	(31,314)	(22,758)
Gross profit	<u>40,803</u>	<u>36,028</u>
Other income	2,622	1,072
Marketing and distribution	(4,278)	(1,180)
Administrative expenses	(9,051)	(6,176)
Other expenses	(2,470)	(2,344)
Finance costs	(29,035)	(25,259)
(Loss) / Profit before tax	<u>(1,409)</u>	<u>2,141</u>
Income tax expense	(1,921)	(2,284)
Loss net of tax	<u>(3,330)</u>	<u>(143)</u>
Other comprehensive income, net of tax		
Foreign currency translation	(57)	(12)
Total comprehensive income for the period	<u>(3,387)</u>	<u>(155)</u>
Profit attributable to:		
Owners of the parent	(5,123)	(1,517)
Non-controlling interest	1,793	1,374
	<u>(3,330)</u>	<u>(143)</u>
Total comprehensive income attributable to:		
Owners of the parent	(5,180)	(1,529)
Non-controlling interest	1,793	1,374
	<u>(3,387)</u>	<u>(155)</u>
Loss per share attributable to owner of the parent (sen)		
Basic	<u>(2.35)</u>	<u>(0.70)</u>
Diluted	<u>-</u>	<u>(0.53)</u>

The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	As at 31.03.2013 <i>Unaudited</i> RM'000	As at 31.12.2012 <i>Audited</i> RM'000
Assets		
Non-current assets		
Property, plant and equipment	21,299	21,539
Intangible assets	98,819	100,808
Land held for property development	51,807	52,846
Investment property	163,652	-
Trade receivables	1,023,735	1,031,419
Deferred tax assets	3,358	3,239
	<u>1,362,670</u>	<u>1,209,851</u>
Current assets		
Property development cost	207,792	300,959
Inventories	55	44,973
Tax recoverable	325	130
Trade and other receivables	139,991	142,844
Short term investment	252,453	242,995
Cash and bank balances	64,427	60,436
	<u>665,043</u>	<u>792,337</u>
Total assets	<u>2,027,713</u>	<u>2,002,188</u>

ENCORP BERHAD (506836-X)
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013 (contd.)**

	As at 31.03.2013 <i>Unaudited</i> RM'000	As at 31.12.2012 <i>Audited</i> RM'000
Equity and liabilities		
Current liabilities		
Trade and other payables	119,238	123,023
Loans and borrowings	173,703	168,230
Income tax payables	7,273	5,094
	<u>300,214</u>	<u>296,347</u>
Non-current liabilities		
Trade payables	23,826	44,594
Loans and borrowings	1,299,249	1,253,182
Deferred tax liabilities	7,221	7,474
	<u>1,330,296</u>	<u>1,305,250</u>
Total liabilities	<u>1,630,510</u>	<u>1,601,597</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 reserves	7,744	7,801
Retained profit	16,466	21,590
	<u>345,595</u>	<u>350,776</u>
Non-controlling interest	51,608	49,815
Total equity	<u>397,203</u>	<u>400,591</u>
Total equity and liabilities	<u>2,027,713</u>	<u>2,002,188</u>
Net assets per share attributable to owner of the parents (RM)	<u>1.58</u>	<u>1.61</u>

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2013**

RM'000	← Non-distributable				Distributable →				Total equity	
	Share capital	Share premium	Treasury shares	Warrants reserves	Equity component of RCCLS	Foreign currency translation reserve	Other reserves, total	Retained Profit		Non-controlling interest
At 1 January 2013	223,509	102,435	(4,559)	4,681	874	2,246	7,801	21,589	49,815	400,590
Total comprehensive income for the period	-	-	-	-	-	(57)	(57)	(5,123)	1,793	(3,387)
At 31 March 2013	223,509	102,435	(4,559)	4,681	874	2,189	7,744	16,466	51,608	397,203
At 1 January 2012	223,509	102,435	(4,559)	4,681	874	1,741	7,296	18,874	32,243	379,798
Total comprehensive income for the period	-	-	-	-	-	(12)	(12)	(1,517)	1,374	(155)
At 31 March 2012	223,509	102,435	(4,559)	4,681	874	1,729	7,284	17,357	33,617	379,643

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

ENCORP BERHAD (506836-X)
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2013**

	Year-to-date ended	
	31.03.2013 <i>Unaudited</i> RM'000	31.03.2012 <i>Unaudited</i> RM'000
Cash flows from operating activities		
(Loss)/profit before taxation	(1,409)	2,141
Adjustments:		
Depreciation	464	378
Amortisation of intangible assets	93	90
Impairment of goodwill on consolidation	1,913	1,876
Loss on disposal of short term investment	(1,021)	58
Interest expenses	29,034	25,218
Distribution income from Fixed Maturity Fund	(800)	(846)
Interest income	(154)	(100)
Operating profit before working capital changes	28,120	28,815
Changes in working capital:		
Net changes in current assets	(107,159)	38,909
Net changes in current liabilities	(19,595)	6,855
Net changes in property development cost	93,167	(9,048)
Cash generated from operations	(5,467)	65,531
Income tax paid	(5,267)	(492)
Interest paid	(489)	(1,746)
Net cash generated from operating activities	(11,223)	63,293
Cash flows from investing activities		
Interest received	154	888
Purchase of property, plant and equipment	(224)	(3,962)
Purchase of intangible assets	(18)	-
Distribution income received	800	-
Investment in short term funds	(8,436)	-
Net cash generated used in investing activities	(7,724)	(3,074)

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2013 (contd.)**

	Year-to-date ended	
	31.03.2013 <i>Unaudited</i> RM'000	31.03.2012 <i>Unaudited</i> RM'000
Cash flows from financing activities		
Redemption of ABBA Notes	-	(56,300)
Payment of RCSLS Coupon	(986)	-
Placement of deposits pledged	(10,974)	-
Proceeds from/(repayment of) loans and borrowings	23,441	(5,541)
Net proceeds from /(repayment of) finance lease payable	18	(398)
Net cash generate used in financing activities	11,499	(62,239)
Net increase in cash and cash equivalents	<u>(7,448)</u>	<u>(2,020)</u>
Effect of exchange rate changes	(57)	(12)
Cash and cash equivalents at beginning of period	56,247	11,891
Cash and cash equivalents at end of period	<u>48,742</u>	<u>9,859</u>
Cash and cash equivalents comprise the followings:		
Cash deposits placed with:		
- Licensed banks	11,505	6,470
- Licensed corporation	12,646	584
Cash and bank balances	40,276	24,715
Bank overdrafts	<u>(520)</u>	<u>-</u>
	63,907	31,769
Less: Bank balances and deposits pledged / designated	<u>(15,165)</u>	<u>(21,910)</u>
Cash and cash equivalents at end of period	<u>48,742</u>	<u>9,859</u>

The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

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 2012. 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 2012.

A2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012, 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 2013.

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

On 1 January 2013, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 101	Presentation of Items of Financial Statements (Improvement to FRSs (2012))
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendments to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

A2. Significant accounting policies (cont'd)

a) Adoption of FRSs, Amendments to FRSs and IC Interpretations (Cont'd)

Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards - (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment - (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))

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.

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. On 30 June 2012, a further extension of 1 year has been granted to Transitioning Entities. MFRS will therefore be mandated for all Transitioning Entities for annual period beginning on or after 1 Jan 2014.

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 2014.

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 132	Offsetting Financial assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
FRS 9	Financial Instruments
	1 January 2014
	1 January 2014
	1 January 2015

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

A3. Auditors' Report on Preceding Annual Financial Statements

The Group's latest audited financial statements for the financial year ended 31 December 2012 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 2013 except for the following:

a) Treasury shares

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

A7. Dividend paid

No dividends were paid during the financial period ended 31 March 2013.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

A8. Segmental information

The Group's segment revenue and results are presented by industry segments for the year-to-date ended 31 March 2013 as follows: -

	Investment holding	Concessionaire	Construction	Property development	Others*	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External customers	-	26,512	6,367	37,469	1,769	-	72,117
Inter-segment	5,506	-	22,427	181,981	1,098	(211,012)	-
Total Revenue	5,506	26,512	28,794	219,450	2,867	(211,012)	72,117
Results:							
Segment results	(4,197)	26,156	82	5,963	(530)	-	27,474
Interest income	340	1,586	47	649	-	-	2,622
Interest expense	(1,442)	(27,237)	(44)	(300)	(12)	-	(29,035)
Depreciation and amortisation	(317)	-	(164)	(29)	(47)	-	(557)
Impairment of goodwill on consolidation	-	-	-	-	-	(1,913)	(1,913)
Profit / (Loss) before tax	(5,616)	505	(79)	6,283	(589)	(1,913)	(1,409)

* This segment represents Trading, Food and Beverage and Facilities Management divisions.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

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 2013.

A10. Material events subsequent to the balance sheet date

There were no material events subsequent to the financial period ended 31 March 2013 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 2013 except for the following:

- (i) On 20 February 2013, Must Ehsan Development Sdn Bhd, a 70% owned subsidiary of Encorp Must Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company has incorporated two new wholly-owned subsidiaries known as Encorp Strand Mall Sdn Bhd and Encorp Parking Sdn Bhd with an issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each respectively and its principal activity are property investment.

A12. Changes in contingent liabilities

	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Contingent liabilities:		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	64,255	40,794
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries	2,380	-
Corporate guarantee given to suppliers in favour of credit facility granted to subsidiaries	161	66
	<u>66,796</u>	<u>40,860</u>

A13. Capital commitments

	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Capital expenditure		
Approved and contracted for:		
Land held for property development	-	23,301
	<u>-</u>	<u>23,301</u>

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

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

B1. Performance review

**a) Performance of the current quarter against the preceding year corresponding quarter
(1Q13 vs. 1Q12).**

The Group's revenue for the quarter ended 31 March 2013 (1Q13) increased by RM13.33 million to RM72.12 million as compared to RM58.79 in preceding quarter ended 31 March 2012 (1Q12). The increase in revenue was mainly due to higher progress of works achieved by the Property Division. However, the increase in profit arising from the increase in revenue was offset by the higher marketing and distribution expenses incurred for property development projects and finance cost arising from the Sukuk Murabahah issued in previous financial year.

As a result, the Group recorded a loss of RM1.41 million in 1Q13 as compared to profit before tax of RM2.14 million for 1Q12.

Property

Revenue for property development division increased by RM11.26 million or 43% to RM37.47 million in 1Q13 from RM26.21 million recorded in 1Q12. The increase was mainly due to higher workdone achieved for all on going development projects. In line with the overwhelming response and sales in Encorp Marina project, the marketing and distribution expenses increased significantly as compared to 1Q12 but the revenue and profit of the project will only be recognised over the tenure of the project according to the work progress. As a result, profit before tax for the division only increased marginally from RM5.72 million in 1Q12 to RM6.28 million in 1Q13.

Construction

Revenue for construction division increased by RM1.87 million or 41% to RM6.37 million in 1Q13 from RM4.50 million recorded in 1Q12. This is mainly due to higher work progress achieved for all on going projects during the current quarter. As a result, the performance of the construction division improved from losses of RM1.44 million recorded in 1Q12 to losses of RM0.08 million in 1Q13.

Concession

The concession division recorded revenue of RM26.51 million in 1Q13 as compared to RM27.24 million in 1Q12. However, the segment only recorded a profit of RM0.51 million in the current quarter as compared to a profit before tax of RM4.05 million. This is mainly due to higher finance cost incurred for the Sukuk Murabahah issued in previous financial year.

Others

Revenue and losses from other operation segment consist mainly of trading activities, sales of food and beverage and facilities management services rendered.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

B2. Comparison with Immediate Preceding Quarter

The Group's revenue decreased by RM97.63 million or 58% to RM72.12 million as compared to RM169.75 million registered in the preceding quarter. In line with the decrease in revenue, the Group's profit before tax decreased by RM36.27 million to a loss of RM1.41 million in 1Q13 as compared to the profit before tax of RM34.86 million in 4Q12.

B3. Commentary on prospects

The Malaysian economy recorded a better-than-expected performance for year 2012 with a full-year growth of 5.6% despite a weaker global economic environment and is expected to grow steadily at 5% to 6% in year 2013.

The Group will continue its focus on measures to increase operational efficiencies and to pursue innovative concepts to enhance its development and construction projects.

Barring any unforeseen circumstances, the Group expects to achieve satisfactory performance for current financial year.

B4. Variance from forecast profit and profit guarantee

Not applicable.

B5. Income tax expense

	Quarter and Year-to-date ended	
	31.03.2013	31.03.2012
	RM'000	RM'000
Income tax	(2,292)	(1,669)
Deferred tax	371	(615)
	<u>(1,921)</u>	<u>(2,284)</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit

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, and losses of certain subsidiaries which have not been used to set off against taxable profits made by other subsidiaries.

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 2013.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2013**

B7. Borrowings and debt securities

	As at 31.03.2013 RM'000
Current	
Sukuk Murabahah	129,949
Term loan	29,704
Bridging loan	
Overdraft	520
Revolving credit	4,600
Advances	4,100
Obligations under finance leases and hire purchases	1,197
RCSLS - liability component	3,633
	<u>173,703</u>
Non-current	
Sukuk Murabahah	1,103,370
Term loan	135,283
Obligations under finance leases and hire purchases	3,132
RCSLS - liability component	57,465
	<u>1,299,249</u>
Total Group's loans and borrowings	<u>1,472,952</u>

B8 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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B9 Dividends

The Board of Directors do not recommend any dividend for the quarter ended 31 March 2013.

B10 Profit for the period

	Quarter and Year-to-date ended	
	31.03.2013	31.03.2012
	RM'000	RM'000
The profit before tax is arrived at after charging / (crediting):		
a) Interest income	(2,622)	(100)
b) Other income	122	(1,030)
c) Interest expense	29,035	25,259
d) Depreciation and amortisation	557	468
e) Provision for and write off of receivables	-	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	N/A	58
h) (Gain)/loss on property, plant & equipment	(122)	-
i) Impairment of goodwill	1,913	1,876
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

N/A denotes as not applicable.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B11 Retained Earnings

Group	As at 31.03.2013 RM'000	As at 31.03.2012 RM'000
Realised	248,668	206,923
Unrealised	372	(8,597)
	<u>249,040</u>	<u>198,326</u>
Consolidation adjustments	(232,574)	(180,969)
Total retained earnings	<u>16,466</u>	<u>17,357</u>

B12 Earnings per share ("EPS")

a) Basic EPS

	Quarter and Year-to-date ended 31.03.2013 RM'000	31.03.2012 RM'000
Loss attributable to owners of the parent	<u>(5,123)</u>	<u>(1,517)</u>
Weighted average number of ordinary shares in issue	<u>218,123</u>	<u>218,123</u>
Basic EPS (sen)	<u>(2.35)</u>	<u>(0.70)</u>

b) Diluted EPS

Loss attributable to owners of the parent	(5,123)	(1,517)
Effect on earnings upon conversion of RCCLS	-	-
	<u>(5,123)</u>	<u>(1,517)</u>
Weighted average number of ordinary shares in issue	218,123	218,123
Effect of dilution	-	65,706
	<u>218,123</u>	<u>283,829</u>
Diluted EPS (sen)	<u>-</u>	<u>(0.53)</u>

The potential dilutive instruments of RCCLS of 65,706,060 and Warrants of 32,853,030 have not been included in the calculation of the Diluted EPS as they are antidilutive for the current quarter under review.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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B13 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 15 May 2013.

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

Lee Lay Hong
Company Secretary

15 May 2013