



(506836-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER 31 MARCH 2017**

	Quarter ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
Revenue	70,145	45,124
Cost of sales	(31,389)	(12,490)
Gross profit	<u>38,755</u>	<u>32,634</u>
Other income	6,614	1,871
Marketing and distribution expenses	(1,696)	(423)
Administrative expenses	(7,675)	(5,970)
Other expenses	(215)	(235)
Finance costs	(24,345)	(26,965)
Profit before tax	<u>11,438</u>	<u>912</u>
Income tax expense	(3,174)	(556)
Profit net of tax	<u>8,264</u>	<u>356</u>
Other comprehensive (loss)/income net of tax		
Foreign currency translation	-	826
Total comprehensive (loss)/income for the year	<u>8,264</u>	<u>1,182</u>
Profit/(loss) attributable to:		
Owners of the parent	8,442	424
Non-controlling interest	(178)	(68)
	<u>8,264</u>	<u>356</u>
Total comprehensive income attributable to:		
Owners of the parent	8,442	1,250
Non-controlling interest	(178)	(68)
	<u>8,264</u>	<u>1,182</u>
Earnings per share attributable to owner of the parent (sen)		
Basic	<u>3.03</u>	<u>0.15</u>
Diluted	<u>-</u>	<u>-</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	As at 31.03.2017	As at 31.12.2016 (Audited)
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	6,714	6,878
Intangible assets	24,997	25,042
Investment properties	325,130	325,130
Land held for property development	273,309	293,836
Trade receivables	855,258	866,693
Other investments	5,072	4,857
Deferred tax assets	9,136	9,774
	<u>1,499,616</u>	<u>1,532,210</u>
Current assets		
Property development costs	252,252	235,888
Inventories	100,904	100,132
Tax recoverable	5,489	5,185
Trade and other receivables	118,902	134,664
Other current assets	20,296	44,152
Other investments	148,329	113,267
Cash and bank balances	63,891	62,843
	<u>710,063</u>	<u>696,131</u>
Asset of disposal group classified as held for sale	242	23,087
	<u>710,305</u>	<u>719,218</u>
Total assets	<u>2,209,921</u>	<u>2,251,428</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (contd.)**

	As at 31.03.2017	As at 31.12.2016 (Audited)
	RM'000	RM'000
Equity and liabilities		
Current liabilities		
Trade and other payables	188,048	209,277
Provision	24,230	30,326
Loans and borrowings	114,509	141,623
Income tax payables	2,359	1,391
	<u>329,146</u>	<u>382,617</u>
Liabilities directly associated with disposal group classified as held for sale	934	934
	<u>330,080</u>	<u>383,551</u>
Non-current liabilities		
Trade payables	334,006	334,434
Loans and borrowings	1,022,046	1,017,041
Deferred tax liabilities	3,464	3,538
	<u>1,359,516</u>	<u>1,355,013</u>
Total liabilities	<u>1,689,596</u>	<u>1,738,564</u>
Equity attributable to owners of parent		
Share capital	278,648	278,648
Treasury shares	(327)	(327)
Share premium	104,302	104,302
Other reserves	(623)	180
Retained profit	47,641	39,199
	<u>429,641</u>	<u>422,002</u>
Non-controlling interest	90,684	90,862
Total equity	<u>520,325</u>	<u>512,864</u>
Total equity and liabilities	<u>2,209,921</u>	<u>2,251,428</u>
Net assets per share attributable to owner of the parents (RM)	<u>1.54</u>	<u>1.51</u>

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2017**

	← Non-distributable			→ Distributable						
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Warrants reserves RM'000	Foreign currency translation reserve RM'000	Other reserves, total RM'000	Retained Profit RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2017	278,648	104,302	(327)	-	180	180	39,199	422,002	90,862	512,864
Total comprehensive income for the period	-	-	-	-	-	-	8,442	8,442	(178)	8,264
Other comprehensive income	-	-	-	-	(803)	(803)	-	(803)	-	(803)
At 31 March 2017	278,648	104,302	(327)	-	(623)	(623)	47,641	429,641	90,684	520,325
At 1 January 2016	278,645	104,302	(327)	3,640	942	4,582	7,154	394,356	91,142	485,498
Total comprehensive income for the period	-	-	-	-	-	-	424	424	(68)	356
Other comprehensive income	-	-	-	-	826	826	-	826	-	826
Transaction with owners:										
Transfer to retained profit upon expiry of warrants	-	-	-	(3,640)	-	(3,640)	3,640	-	-	-
Conversion of RCSLS	3	-	-	-	-	-	-	3	-	3
At 31 March 2016	278,648	104,302	(327)	-	1,768	1,768	11,218	395,609	91,074	486,683

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017**

	Year-to-date ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	11,438	912
Adjustments:		
Depreciation	169	185
Amortisation of intangible assets	46	50
Impairment on trade receivable	185	-
Interest expenses	24,345	26,965
Gain on disposal of investment security	(292)	(46)
Distribution income from money market investment security	(685)	(1,155)
Gain on disposal of land	(2,141)	-
Unrealized gain on foreign exchange	(2,682)	-
Interest income	(813)	(176)
Operating profit before working capital changes	29,570	26,735
Changes in working capital:		
Net changes in current assets	52,765	3,121
Net changes in current liabilities	(27,753)	(16,870)
Net changes in property development cost	4,163	2,976
Cash generated from operations:	58,745	15,962
Income tax paid	(1,946)	(6,518)
Interest paid	(2,064)	(435)
Net cash generated from operating activities	54,735	9,009

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

	Year-to-date ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
Cash flows from investing activities		
Interest received	890	176
Purchase of property, plant and equipment	(6)	(27)
Proceeds from disposal of freehold land	25,000	-
Distribution income received	685	1,155
Increase in investment security	(35,062)	(36,141)
	<u>(8,493)</u>	<u>(34,837)</u>
Net cashflow generated from/(used in) investing activities	<u>(8,493)</u>	<u>(34,837)</u>
Cash flows from financing activities		
Payment of RCLS Coupon	-	(11,191)
Repayment of loans & borrowing	(46,776)	-
Draw down from loans and borrowings	2,548	26,498
Net payment in finance lease payables	(10)	(13)
	<u>(44,238)</u>	<u>15,294</u>
Net cashflow (used in)/generated from financing activities	<u>(44,238)</u>	<u>15,294</u>
Net increase/(decrease) in cash and cash equivalents	2,004	(10,534)
Effect of exchange rate changes	(803)	-
Cash and cash equivalents at beginning of period	58,967	12,106
Cash and cash equivalents at end of period	<u>60,168</u>	<u>1,572</u>
Cash and cash equivalents comprise the followings:		
Cash deposits placed with:		
- Licensed banks	2,861	2,178
- Licensed corporation	90	87
Cash and bank balances	<u>60,940</u>	<u>5,777</u>
	63,891	8,042
Add: Disposal group held for sale	228	-
Less: Bank overdrafts	(1,181)	(4,205)
Bank balances and deposits pledged / designated	<u>(2,770)</u>	<u>(2,265)</u>
Cash and cash equivalents at end of period	<u>60,168</u>	<u>1,572</u>

The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The condensed consolidated interim financial statements (“Condensed Report”), other than for financial instruments have been prepared under the historical cost convention. Financial instruments are carried at fair value in accordance to Financial Reporting Standard (“FRS”) 9 *Financial Instrument* and FRS 139 *Financial Instruments: Recognition and Measurement*.

This Condensed Report has also 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.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. The explanatory notes attached to the Condensed Report 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 2016.

A2. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the Condensed Report are consistent with those used in preparing the audited financial statements for the year ended 31 December 2016, except for 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 2017.

a) Standards Amendments and Annual Improvement to standards effective for the financial periods beginning on or after 1 January 2017

FRS 107 Disclosures Initiatives (Amendments to FRS 107)

FRS 112 Recognition of Deferred Tax for Unrealized losses (Amendments to FRS 112)

Amendment to FRS 12: Disclosure of Interests in Other Entities (Annual Improvement to FRS Standards 2014-2016 Cycle)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (contd.)

A2. Significant accounting policies (cont'd)

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

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

c) 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 entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall 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 2017. In presenting its first MFRS financial statements, the Group and the Company will be required to adjust the comparative financial statements prepared under the FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning on 1 January 2018.

A3. Auditors' Report on Preceding Annual Financial Statements

The Group's latest audited financial statements for the financial year ended 31 December 2016 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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (contd.)

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

a) Sale of freehold land

In the 2016 financial year, the Group had entered into a Sale and Purchase Agreement with Crescent Consortium Sdn Bhd to dispose a piece of freehold land for a total cash consideration of RM25.0 million. As at 31 December 2016 which is the financial year end of the Group, the condition precedents for the sale were not fulfilled.

However during the quarter ended 31 March 2017 the condition precedents for the sale were fulfilled and the sale of the land has been finalised. The sale of the land is recorded in this quarter and the breakdown of the sale is as follows.

	RM'000
Sales Proceed	25,000
<i>less:</i>	
Land Cost	16,115
Related Development Expenditure	6,744
Net Profit	<u>2,141</u>

b) Foreign exchange gain

Included in the quarter's results is an unrealised foreign exchange gain of RM2.7 million. This unrealised gain is from the strengthening of the Australian dollar against the Malaysian Ringgit on the translation of the amount due from a foreign subsidiary.

A6. Debt and equity securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities for the quarter ended 31 March 2017 except for the following:

a) Treasury shares

As at 31 March 2017, the total number of treasury shares held was 386,000.

b) Sukuk Murabahah

The next Sukuk Murabahah principal and profit payment amounting to RM69.0 million is scheduled in May 2017.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (contd.)

A6. Debt and equity securities (contd.)

b) Sukuk Murabahah (contd.)

The Sukuk Murabahah was issued by a subsidiary company, ESSB to refinance the entire amount outstanding under ABBA Notes and to fund the Trustee' Reimbursement Account. The Sukuk Murabahah is 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 Sukuk Murabahah raised do not have any financial recourse to the Group.

A7. Dividend paid

No dividend was paid during the quarter ended 31 March 2017.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (contd.)

A8. Segmental information

The Group's segment revenue and results are presented by industry segments for the quarter ended 31 March 2017 as follows: -

	Investment holding RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Facilities management RM'000	Others* RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
Revenue								
External customers	-	22,760	43,932	1,413	2,040	-	-	70,145
Inter-segment	2,117	-	-	342	-	-	(2,459)	-
Total Revenue	2,117	22,760	43,932	1,755	2,040	-	(2,459)	70,145
Results:								
Segment results	8,895	22,859	11,497	(346)	7	(686)	(7,323)	34,903
Interest income	619	680	1,661	-	2	-	(1,867)	1,095
Interest expense	(403)	(22,281)	(1,904)	(1,598)	-	(26)	1,867	(24,345)
Depreciation and amortisation	(140)	-	(19)	(30)	-	(1)	(25)	(215)
Profit/(Loss) before tax	8,971	1,258	11,235	(1,974)	9	(713)	(7,348)	11,438

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (contd.)

A9. Material events subsequent to the balance sheet date

There was no material events subsequent to the financial period ended 31 March 2017 up to the date of this report.

A10. Changes in the composition of the Group

There are no changes in the composition of the Group for the financial period ended 31 March 2017 up to the date of this report.

A11. Changes in contingent liabilities

	31.03.2017	31.03.2016
	RM'000	RM'000
Contingent liabilities:		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	5,559	57,183
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries	1,248	3,607
Corporate guarantee given to suppliers in favour of credit facility granted to subsidiaries	200	453
	<u>7,007</u>	<u>61,243</u>

A12. Capital commitments

There was no capital commitments for the purchase of property, plant and equipment not provided for in the interim financial report as at the end of the financial period.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

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

B1. Performance review

**Performance of the current quarter against the preceding year corresponding quarter
(1Q17 vs. 1Q16).**

The group's revenue for the quarter ended 31 March 2017 ("1Q17") is RM70.1 million. This is an increased of RM25.0 million or 55% as compared to the corresponding quarter ended 31 March 2016 ("1Q16") of RM45.1 million.

The increase in revenue was mainly due to the higher progress of works achieved by the Property Division as compared to the corresponding quarter.

The close monitoring and effective management of the total costs of the Group, coupled with the unusual items as outlined in paragraph A5 herewith, the profit before taxation has increased significantly by RM10.5 million or 1,154% to RM11.4 million for this reporting quarter.

Property Development

The rationalisation plans implemented by Management have positively contributed to the improved returns from the Property Development division, particularly with the higher progress of work from the Encorp Marina Puteri Harbour project in Johor.

The division achieved revenue of RM43.9 million for the 1Q17, as compared to RM16.3 million in the 1Q16. This increase in revenue has contributed to an improvement of the PBT by RM7.8 million or 223% to RM11.2 million in 1Q17 as compared to RM3.5 million for 1Q16.

Investment Property

The continuing sluggish consumer sentiments have resulted with lower occupancy and rentals from the Strand Mall. Although the revenue contribution is not significant to the overall result of the Group, Management shall continue to review the operational activities of the Strand Mall, with the effort of improving the footfall and hence the returns to the Group.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA (contd.)**

B1. Performance review (contd.)

**Performance of the current quarter against the preceding year corresponding quarter
(1Q17 vs. 1Q16) (contd.)**

Concessionaire

Pursuant to the Privatisation Agreement, the concession income is payable by the Government from the completion and handover of each cluster of the teachers' quarters up to the end of the concession period. Accordingly, the Group is compensated in the form of interest as a result of the extended repayment period. The interest income from concession is recognised as revenue using the effective interest method.

The concession division recorded revenue of RM22.8 million in 1Q17 as compared to revenue of RM23.8 million respectively in 1Q16.

Facilities Management

The principal activity of this division is to provide upkeep and maintenance services.

For the quarter under review, the division recorded a revenue of RM2.0 million and a PBT of RM9,000. However revenue and PBT for 1Q16 is RM2.0 million and RM0.24 million respectively. The decrease in PBT is because of the increase in administration fees and increase in staff cost which is in-line with the Group's efforts in intensifying expansion and growth for this division.

B2. Comparison with Immediate Preceding Quarter

Revenue for the group for 1Q17 is RM70.1 million compared to revenue for 4Q16 of RM144.8 million. The PBT for 1Q17 is RM11.4 million against PBT for 4Q16 of RM19.5 million.

The decrease in revenue and PBT is because of the decrease in the property division as the Encorp Strand Residences was completed within the fourth quarter for 2016.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA (contd.)**

B3. Commentary on prospects

The property sector is expected to remain challenging particularly with investors adopting a “wait and see” approach, stringent lending rules imposed by banks and oversupply in certain property sub-sector market.

With these challenges ahead, the Group will focus on measures to increase efficiencies and pursue innovative concepts to enhance its development projects such as the Bukit Katil township development that the Group recently embarked via a Master Development Agreement signed between the Group and FELDA.

The Group will also explore new avenue of revenue sources such as industrial property sub-sector market and facilities management. Management will continuously review its operations, including potential acquisition of new land and properties at various strategic locations with high growth potential, entering into joint ventures with established and reputable partners to fast track the high value township development and rationalisation of existing business.

B4. Variance from forecast profit and profit guarantee

Not applicable.

B5. Income tax expense

	Quarter ended	
	31.03.2017	31.03.2016
	RM'000	RM'000
Income tax	(3,738)	(5,431)
Deferred tax	564	4,875
	<u>(3,174)</u>	<u>(556)</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% 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, and losses of certain subsidiaries which have not been used to set off against taxable profits made by other subsidiaries.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA (contd.)**

B6. Disposal of unquoted investments and properties

There were no disposal of unquoted investments and/or properties for the financial period ended 31 March 2017.

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities for the financial period ended 31 March 2017.

B8. Status of corporate proposals

On the 27 February 2017, MIDF Amanah Investment Bank Berhad ('MIDF Investment') on behalf of the Board of Directors of Encorp had announced that the Company propose to undertake a private placement of up to 27,864,801 new ordinary shares in Encorp, representing ten per cent of the total number of issued shares of Encorp (excluding treasury shares).

MIDF Investment had also on 17 March 2017 on behalf of Encorp submitted the listing application in relation to the Proposed Private Placement to Bursa Malaysia Securities Berhad ('Bursa Securities') which was duly approved by Bursa Securities vide its letter dated 24 March 2017.

As of the date of this report, the Private Placement exercise has not taken place.

B9. Borrowings and debt securities

	As at 31.03.2017	
	Current	Non-current
	RM'000	RM'000
Secured		
Sukuk Murabahah	48,857	918,265
Term loan	21,501	78,053
Bridging loan	12,086	25,705
Obligations under finance leases and hire purchases	34	23
Revolving credit	30,850	-
Bank overdraft	1,181	-
	<u>114,509</u>	<u>1,022,046</u>

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA (contd.)**

B10. Changes in material litigation

The Group has no outstanding material litigation for the financial period ended 31 March 2017.

B11. Dividends

The Board of Directors did not recommend any dividend for the quarter ended 31 March 2017.

B12. Profit for the period

	Quarter ended 31.03.2017 RM'000
The profit/loss is arrived at after charging/(crediting):	
a) Interest income	(1,095)
b) Other income	(695)
c) Interest expense	24,345
d) Depreciation and amortisation	215
e) Employee benefits	4,259
g) Allowance of doubtful debts	185
h) Loss/(gain) on disposal of freehold land	(2,141)
i) Foreign exchange gain or loss	(2,682)
j) Operating lease	
- premises	661
- equipment	52
- others	14
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA (contd.)**

B13. Retained Earnings

	31.03.2017	31.12.2016
		(Audited)
	RM'000	RM'000
Group		
Realised	205,214	189,668
Unrealised	139,487	139,272
	<u>344,701</u>	<u>328,940</u>
Consolidation adjustments	(297,060)	(289,741)
Total retained earnings	<u>47,641</u>	<u>39,199</u>

B14. Earnings per share ("EPS")

a) Basic EPS

	31.03.2017	31.03.2016
	RM'000	RM'000
Profit/(Loss) attributable to owners of the parent	<u>8,442</u>	<u>424</u>
Weighted average number of ordinary shares in issue	<u>278,648</u>	<u>278,645</u>
Basic EPS (sen)	<u>3.03</u>	<u>0.15</u>

b) Diluted EPS

Upon the maturity of RCSSL and the expiry of Warrants, the Company has no other dilutive potential ordinary shares. Accordingly, the diluted EPS for the current financial period is not presented.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017 (contd.)**

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA (contd.)**

B15. 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 29 May 2017.

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

Lee Lay Hong
Company Secretary

29 May 2017