

TRANSACTIONS (CHAPTER 10)

RELATED PARTY TRANSACTIONS

REPLY TO QUERY FROM BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) DATED 23 MARCH 2022 PERTAINING TO THE JOINT VENTURE BETWEEN ENCORP BERHAD (“ENCORP” or “THE COMPANY”) AND LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (“FELDA”) TO DEVELOP AND BUILD HOUSING AND COMMERCIAL UNITS TO BE KNOWN AS “PERUMAHAN WARGA FELDA – FELDA CHUPING” (“THE PROJECT”) (“JOINT VENTURE”)

Unless otherwise defined, the terms and definitions used herein shall have the same meaning as defined in the announcement dated 22 March 2022 in relation to the Joint Venture.

The Company wishes to furnish the following additional information pertaining to the Joint Venture as follows:-

1. **Out of the total units under Phase 1, please state/quantify the total number of units completed by FELDA and the estimated cost that is expected to be incurred by EDSB to complete Phase 1.**

Phase 1 - 224 units houses and 17 units shops (There is no unit completed. All buildings are 65% completion and 80% completion for infrastructure. Balance of the works estimated cost is RM12,265,000.00 by EDSB).

2. **Expected commencement and completion date of construction of Phase 1 and 2.**

Phase 1

Expected Commencement of Construction Work : 02 April 2022

Expected Completion of Construction Work : 02 May 2023

Phase 2

Expected Commencement of Construction Work : 01 Oct 2024

Expected Completion of Construction Work : 30 Jun 2026

3. **Whether all relevant approvals required for the commencement of the Project has been obtained.**

Phase 1 - All relevant approvals has been obtained.

Phase 2 - Pending Development Order and Building Plan approval (Estimated target to obtain Sept 2024).

4. **To disclose the total number of units sold (if any) as of the date of the JV Agreement.**

None of the units were sold yet.

5. **Note that FELDA has partially completed the development in Phase 1, please state the basis on how the profit ratio of 80%:20% is arrived at as compared to the profit ratio of 75%:25% for Phase 2.**

The 80:20 ratio for Phase 1 is arrived at after FELDA takes into consideration the costs already spent and the considerably less work involved to complete the phase by EDSB. Phase 2 involves the constructing and selling new units hence the higher share of profit for EDSB.

6. **To quantify the market value of the Land and the basis in arriving at the market value.**

Since Encorp is not buying the Land, Encorp did not quantify the market value of the Land. Encorp's returns will be a factor of selling price and development cost.

7. **To provide further clarification as to why the selling price for Phase 1 (excluding commercial units) is governed by the Ministry of Housing and Local Government but not for Phase 2.**

Phase 1 includes low cost units where the selling prices are governed by the local authorities. There are no such restrictions for Phase 2 after having complied with the minimum requirement in phase 1.

8. **To quantify the development cost incurred by FELDA for partial completion of Phase 1 and whether ENCORP will reimburse the cost to FELDA.**

FELDA has spent RM24,321,000.00 for Phase 1. FELDA's recovery of their cost will be from their share of the development profits.

9. **To quantify the expected profit that ENCORP is expected to make from the Project.**

Encorp is expected to make RM7.07 million for its share of profits in this Project.

This announcement is dated 24 March 2022.