



Company No. 200001004231 (506836-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025**

ENCORP BERHAD

Company No. 200001004231(506836-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER 31 MARCH 2025**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 MARCH 2025**

	Quarter and Period-to-date ended		Year-to-date ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Revenue	18,748	29,621	18,748	29,621
Cost of sales	(7,764)	(658)	(7,764)	(658)
Gross profit	10,984	28,963	10,984	28,963
Other income	1,610	1,610	1,610	1,610
Selling and marketing expenses	(328)	(802)	(328)	(802)
Administrative expenses	(4,684)	(6,620)	(4,684)	(6,620)
Finance costs	(10,030)	(12,754)	(10,030)	(12,754)
Other expenses	(608)	(583)	(608)	(583)
Profit/(Loss) before tax	(3,056)	9,814	(3,056)	9,814
Income tax	(436)	(756)	(436)	(756)
Profit/(Loss) net of tax	(3,492)	9,058	(3,492)	9,058
Other comprehensive income				
Revaluation of office building				-
Foreign currency translation	(114)	675	(114)	675
Total comprehensive profit/(loss) for the year	(3,606)	9,733	(3,606)	9,733
Profit/(Loss) attributable to:				
Owners of the parent	(2,956)	9,090	(2,956)	9,090
Non-controlling interest	(536)	(32)	(536)	(32)
	(3,492)	9,058	(3,492)	9,058
Total comprehensive profit/(loss) attributable to:				
Owners of the parent	(3,070)	9,765	(3,070)	9,765
Non-controlling interest	(536)	(32)	(536)	(32)
	(3,606)	9,733	(3,606)	9,733
Earnings/(Loss) per share attributable to owner of the parent (sen)				
Basic	(0.93)	2.87	(0.93)	2.87

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

ENCORP BERHAD

Company No. 200001004231(506836-X)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Assets		
Non-current assets		
Property, plant and equipment	4,203	4,321
Right-of-use assets	10,967	11,394
Intangible assets	290	311
Investment properties	305,490	305,490
Land held for property development	27,365	27,311
Trade and other receivables	231,729	258,118
Deferred tax assets	4,392	4,702
	<u>584,436</u>	<u>611,647</u>
Current assets		
Property development costs	47,128	45,573
Inventories	71,994	75,998
Contract assets	5,700	10,312
Tax recoverable	236	173
Trade and other receivables	140,132	133,599
Other current assets	1,286	1,193
Other investments	165,154	141,451
Cash and cash equivalents	23,828	17,764
	<u>455,458</u>	<u>426,063</u>
Total assets	<u>1,039,894</u>	<u>1,037,710</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (contd.)

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Equity and liabilities		
Current liabilities		
Trade and other payables	79,656	100,706
Other current liabilities	3,823	3,823
Contract liabilities	10,786	11,048
Loans and borrowings	163,034	158,738
Lease liabilities	1,850	1,863
Income tax payable	420	787
	<u>259,569</u>	<u>276,965</u>
Non-current liabilities		
Trade and other payables	30,711	15,046
Loans and borrowings	310,402	301,962
Lease liabilities	12,678	13,084
Deferred tax liabilities	3,884	4,183
	<u>357,675</u>	<u>334,275</u>
Total liabilities	<u>617,244</u>	<u>611,240</u>
Equity attributable to owners of parent		
Share capital	399,016	399,016
Treasury shares	(327)	(327)
Other reserves	32,248	32,363
Accumulated Loss	(99,193)	(96,023)
	<u>331,744</u>	<u>335,029</u>
Non-controlling interest	90,906	91,441
Total equity	<u>422,650</u>	<u>426,470</u>
Total equity and liabilities	<u>1,039,894</u>	<u>1,037,710</u>
Net assets per share attributable to owner of the parents (RM/share)	<u>1.05</u>	<u>1.06</u>

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2025**

	Non-distributable				Non-controlling		Total
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated Loss RM'000	Total RM'000	interest RM'000	equity RM'000
At 1 January 2025	399,016	(327)	32,363	(96,023)	335,030	91,441	426,471
Profit for the period	-	-	-	(2,956)	(2,956)	(536)	(3,492)
Other comprehensive profit	-	-	(115)	-	(115)	-	(115)
Total comprehensive profit/(loss) for the period	-	-	(115)	(2,956)	(3,071)	(536)	(3,607)
At 31 March 2025	399,016	(327)	32,248	(98,979)	331,959	90,905	422,864
At 1 January 2024	399,016	(327)	28,121	(97,830)	328,980	89,811	418,791
Loss for the period	-	-	-	1,807	1,807	1,630	3,437
Other comprehensive profit	-	-	4,242	-	4,242	-	4,242
Total comprehensive (loss)/profit for the period	-	-	4,242	1,807	6,049	1,630	7,679
At 31 March 2024	399,016	(327)	32,363	(96,023)	335,029	91,441	426,470

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2025**

	Period ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	(3,056)	9,814
<u>Adjustments:</u>		
Depreciation	586	573
Amortisation of intangible assets	22	10
Interest expenses	9,553	12,573
Gain on money market investment security	(1,076)	(853)
Distribution income from money market investment security	(110)	(315)
Interest income	(85)	(179)
Expected credit losses	(2)	48
Unwinding of discount		
on other liabilities at amortised cost	67	181
Unrealised loss on forex	-	1,003
Operating profit before working capital changes	5,899	22,855
<u>Changes in working capital:</u>		
Changes in land held for property development and property development cost	(1,609)	(8,465)
Inventories	4,004	5,771
Trade and other receivables	19,858	29,182
Contract assets and contract liabilities	4,350	2,331
Other current assets	(93)	(376)
Trade and other payables	(6,410)	(19,071)
Other current liabilities	-	-
Cash generated from operations	25,999	32,227
Tax paid	(1,067)	(1,509)
Interest paid	4,141	(1,189)
Net cash generated from operating activities	29,073	29,529

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)

	Period ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Cash flows from investing activities		
Interest received	85	179
Acquisition of property, plant and equipment	(43)	(250)
Acquisition of intangible assets	-	(5)
Additions on investment properties	-	-
Placement of investment security	(22,517)	(26,188)
Net cashflow used in investing activities	(22,475)	(26,264)
Cash flows from financing activities		
Net borrowing of loans & borrowing	-	2,044
Placement of deposits	(3)	19
Net payment in finance lease payables	(419)	(653)
Net cashflow generated from financing activities	(422)	1,410
Net increase/(decrease) in cash and cash equivalents	6,176	4,675
Effect of exchange rate changes	(114)	675
Cash and cash equivalents at beginning of period	16,789	15,273
Cash and cash equivalents at end of period	22,851	20,623
Cash and cash equivalents comprise the followings:		
Cash deposits placed with:		
- Licensed banks	943	996
- Licensed corporation	35	34
Cash and bank balances	22,850	20,623
	23,828	21,653
Less: Bank balances and deposits pledged	(977)	(1,030)
Cash and cash equivalents at end of period	22,851	20,623

The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2024 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 ENDED 31 MARCH 2025****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134****A1. Basis of preparation**

This condensed consolidated interim financial statements ("Condensed Report") has been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting, paragraph 9.22 of the main market Listing Requirements of Bursa Malaysia Securities Berhad and the Companies Act 2016 in Malaysia.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. 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 2024.

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 2024, except for the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2025. The adoption of the following amendments to MFRS and IC Interpretations does not have significant impact to the unaudited condensed financial statements.

a) Amendments to MFRSs effective for the financial periods beginning on or after 1 January 2025

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 Leases	1 January 2025
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2025
Amendments to MFRS 107 Statement of Cash Flows	1 January 2025
Amendments to MFRS 7 Financial Instruments	1 January 2025

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)**

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

A2. Summary of significant accounting policies (contd.)

b) MFRSs and Amendments to MFRSs but not yet effective

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 9 and MFRS 7 Financial Instruments	1 January 2026
Amendments to MFRS 1 First-time adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 107 Statement of Cash Flows	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128 – Consolidated financial statements and Investment in Associates and joint venture	Deferred

A3. Auditors' Report on Preceding Annual Financial Statements

The Group's latest audited financial statements for the financial year ended 31 December 2024 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 for the financial year 31 March 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2024 (contd.)****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (contd.)****A6. Debt and equity securities**

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

a) Treasury shares

As at 31 March 2025 the total number of treasury shares held was 386,000.

b) Sukuk Murabahah

The next principal and profit payment amounting to RM71.5million is scheduled in May 2025.

The Sukuk Murabahah was issued in May 2012 by a subsidiary company, Encorp Systembilt Sdn Bhd ('ESSB') to refinance the entire amount outstanding under Al-Bai' Bithaman Ajil Notes and to fund the Trustee' Reimbursement Account.

The Sukuk Murabahah is secured by the assignment of the contract Concession Payments, a debenture to create a first ranking fixed and floating charge over all present and future assets of the subsidiary and a first ranking charge and assignment of the designated accounts which include an Escrow Account and a Finance Service Reserve Account. 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 2025.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (contd.)****A8. Segmental information**

The Group's segment revenue and results are presented by industry segments for the year ended 31 March 2025 as follows: -

	Investment holding RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others* RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
Revenue								
External customers	-	8,831	6,146	2,012	1,599	160	-	18,748
Inter-segment	1,950	-	-	227	4,367	-	(6,544)	-
Total Revenue	1,950	8,831	6,146	2,239	5,966	160	(6,544)	18,748
Results:								
Segment results	5,038	8,111	(1,168)	(36)	(346)	(59)	(5,232)	6,309
Interest income	685	1,186	2,611	6	6	-	(3,224)	1,271
Interest expense	(509)	(8,594)	(1,606)	(2,546)	(2)	(1)	3,228	(10,029)
Depreciation and amortisation	(514)	(1)	(52)	(34)	(17)	(3)	14	(608)
(Loss)/Profit before tax	4,700	703	(214)	(2,610)	(360)	(64)	(5,213)	(3,056)

* This segment represents facilities management, general trading and property investment divisions.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134 (contd.)****A9. Material events subsequent to the balance sheet date**

There was no material events subsequent to the financial year ended 31 March 2025 up to the date of this report.

A10. Changes in the composition of the Group

There is no material change in the composition of the Group for the financial year ended 31 March 2025 up to the date of this report.

A11. Changes in contingent liabilities

	31.03.2025 RM'000	31.03.2024 RM'000
Contingent liabilities:		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	8,252	9,258

A12. Capital commitments

There were 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 year.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKE LISTING REQUIREMENTS OF BURSA****B1. Performance review****a) Performance of the current quarter against the preceding year corresponding quarter
(Q1-2025 vs. Q1-2024)**

The Group recorded a revenue of RM18.8 million in Q1-2025, a decrease of 37% compared to Q1-2024. This decline was attributed to a reduction of 63% in Property Development segment.

In Q1-2025, the Group reported a loss before tax of RM3.5 million, compared to a profit before tax of RM9.0 million in Q1-2024.

Property Development

In Q1 2025, the Property Development segment generated RM6.1 million in revenue, reflecting a 63% decline from RM16.5 million reported in Q1 2024. The decrease of RM10.4 million.

In Q1 2024 sales of Garden Office, Iris, Clover and Encorp Marina project which contribute around RM13.4 million in Q1 2024 as compared to Q1 2025 sales of Tilia, Lamanda Chuping Phase 1 RMM and RKS as well Encorp Marina project.

In Q1 2025, the segment recorded a loss of RM0.7 million. In contrast, the reversal provision on CIPAA amounting of RM14.0 million contributed to the reported profit before tax of RM15.4 million in Q1 2024.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B1. Performance review (contd.)****a) Performance of the current quarter against the preceding year corresponding quarter
(Q1-2025 vs. Q1-2024) (contd.)****Investment Property**

The segment's revenue saw an increase of 17% in Q1-2025, up from RM1.7 million in Q1-2024, an increase by RM0.3 million. This revenue growth is driven by higher rental rates at Strand Mall, reflecting an overall improvement in rental pricing from RM1.89 per square foot in Q1 2024 to RM2.29 per square foot in Q1 2025.

With these positive developments in revenue, the segment's loss before tax showed an improvement, with losses reducing from RM3.0 million in Q1-2024 to RM2.6 million in Q1-2025, an enhancement of RM0.4 million.

Concessionaire

The concession division recorded a revenue of RM8.8 million in Q1-2025 compared to a revenue of RM11.2 million in Q1-2024. This represents a reduction of RM2.4 million or approximately 21% in revenue between the two periods.

Pursuant to the Privatisation Agreement, the concession income is payable by the Government following completion and handover of each cluster of the teachers' quarters up to the end of the concession period.

Accordingly, the Group is compensated with deferred payment income from the concession and it is recognised as revenue.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B2. Comparison with Immediate Preceding Quarter**

The Group recorded revenue of RM18.8 million in Q1-2025, reflecting a 37% decline compared to Q1-2024.

Concession Income: Revenue stood at RM8.8 million, representing a 21% decrease from Q1-2024. This decline is primarily attributed to deferred payment income, structured as an annuity in accordance with the Privatisation Agreement, along with principal and interest repayments scheduled for May and November 2024. The concession is set to expire in 2028.

Property Development Sales: Revenue for this segment experienced a 63% reduction, amounting to a variance of RM10.37 million. This significant decline in sales performance has directly impacted overall revenue generation.

Facility Management: Revenue increased by 8%, rising from RM0.15 million to RM0.16 million, driven by higher patronage at the mall car park.

Rental Income: Improved by 17%, attributed to an increase in rental rates for Warna Avenue, from RM1.89 psf to RM2.29 psf.

Contract Revenue: Recorded at RM1.6 million, primarily from the replanting stream.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA (contd.)****B3. Commentary on prospects**

As of February 2025, Bank Negara Malaysia (BNM) has kept the Overnight Policy Rate (OPR) at 3.00%, a level maintained since May 2023. This decision supports economic stability, driven by strong domestic demand and manageable inflation. Analysts expect the OPR to stay unchanged throughout 2025, in line with BNM's neutral outlook on inflation and the economy.

The ongoing development of Tilia Shah Alam, which features 112 two-storey superlink homes is expected to complete in the fourth quarter of 2025, presents a valuable opportunity for buyers looking for quality residential options in Shah Alam.

Encorp expanded into East Malaysia through the ongoing Cahaya Kristal project in Kota Kinabalu, expected to be completed by the third quarter of 2026. The development offers both residential opportunities and represents a strategic move to diversify geographically, tapping into the vibrant Kota Kinabalu market.

Balau Residences project, a joint venture project in Teluk Cempedak, Kuantan Pahang is strategically positioned to capitalise on this boost in accessibility. The improved transportation network is anticipated to attract both residents and tourists, ensuring a strong market response to the development.

Our strategic partnership with FELDA has yielded successful outcomes, notably the completion of the Lamanda Chuping Phase 1 development project. Looking ahead, Phase 2 is scheduled to begin planning in the latter part of the year, with a dedicated emphasis on medium-cost housing to address community needs. Encorp remains committed to working collaboratively with FELDA to accelerate growth and enhance operational efficiency for both organisation.

The Investment Property segment is promising with rising rental occupancy at Strand Mall and Warna Avenue, and Strand Mall's integration into the SEDA program highlights the Group's commitment to sustainability and ESG standards.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B4. Variance from forecast profit and profit guarantee**

Not applicable.

B5. Income tax

	Quarter and Period-to-date ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Income tax	(425)	(504)
Deferred tax	(11)	(252)
	<u>(436)</u>	<u>(756)</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

B6. Disposal of unquoted investments, assets and properties

There were no disposal of unquoted investments and/or properties for the financial year ended 31 March 2025.

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities for the financial year ended 31 March 2025.

B8. Status of corporate proposals

There was no corporate proposal announced but not completed as at 29 May 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B9. Borrowings and debt securities**

	As at 31.03.2025	
	Current	Non-current
	RM'000	RM'000
Secured		
Sukuk Murabahah	101,605	308,347
Term loan	9,502	1,944
Revolving credit	51,884	-
Finance lease liabilities	43	111
	<u>163,034</u>	<u>310,402</u>

B10. Changes in material litigation**(a) Must Ehsan Development Sdn Bhd and Bumimetro Construction Sdn Bhd**

Must Ehsan Development Sdn Bhd ('MEDSB') had on 5th July 2018, served a Notice to Arbitrate on Bumimetro Construction Sdn Bhd ('BCSB') dated 4th July 2018 to refer MEDSB's claims on liquidated damages for delay to complete the Project and for classic penalty against BCSB to arbitration, pursuant to the provisions of the Conditions of Contract.

MEDSB is the employer who has awarded BCSB, the main contractor for main building works construction project known as "Cadangan Satu Blok Pembangunan Bercampur (Fasa 4) Yang Mengandungi:- 1) 1 Tingkat Basement, 2) 3 Tingkat Pusat Membeli-Belah, 3) 5 Tingkat Tempat Letak Kereta, 4) 1 Tingkat Pusat Kemudahan Awam, 5) 34 Tingkat Pangsapuri Servis Di Atas Lot PB1, Pusat Bandar 1, Kota Damansara, Mukim Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan".

The arbitration proceeding is commenced against BCSB to seek, among others, the following relief:

- RM24,630,000.00 for liquidated damages;
- RM2,320,346.77 for increased cost incurred for appointment of 3rd party contractors;
- RM3,000,000.00 for classic penalty;
- General Damages;
- Interest;
- Costs; and
- Any further and other reliefs the Tribunal may deem appropriate.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B10. Changes in material litigation (contd.)****(a) Must Ehsan Development Sdn Bhd and Bumimetro Construction Sdn Bhd (contd.)**

Bumimetro has counterclaimed against MEDSB, among others, the sum of RM12,534,461.52 certified claims, RM6,810,054.96 being the uncertified progress claim, the sum of RM5,879,769.83 being the release of the 2nd moiety of the retention sum and general damages.

On 27th of November 2024, the Tribunal has awarded to MEDSB the sum of RM29,950,346.77 in damages and RM4,021,138.81 to BCSB for outstanding amount owed as per their counterclaim. In summary, MEDSB is awarded a nett of RM26,406,017.72 in damages including cost from the award. The award was revised on 10th of January 2025, however it does not affect the outcome and the sum of the award towards either MEDSB or BCSB.

On 10th of April 2025, Bumimetro have filed an application to set aside the award in the High Court of Kuala Lumpur. Subsequently, MEDSB in response have filed an enforcement of award application dated 6th of May 2025. The court have ordered for both application to be heard together. The current case management date fixed for the above matter is at 27th May 2025.

None of the directors and/or major shareholders of Encorp and/or persons connected with them has any interest, direct or indirect in the arbitration proceeding.

Details of the project, statement of claim and the development of the case can be found in the announcement dated 11th April 2018, 7th May 2018, 27th June 2018 and 6th July 2018.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B10. Changes in material litigation (contd.)****(b) Encorp Iskandar Development Sdn Bhd and Konsortium Ipmines Merz Sdn Bhd**

Encorp Iskandar Development Sdn Bhd ("EIDSB") has on 6th November 2019, served a Notice of Arbitration dated 6th November 2019 on Konsortium Ipmines Merz Sdn Bhd ("KIMSB") to refer EIDSB's claims on liquidated damages for delay to complete the Project to arbitration, pursuant to the provisions of the Conditions of Contract.

EIDSB is the employer who has awarded KIMSB, the main contractor for building works construction project known as "Cadangan Pembangunan Pangsapuri Servis (571 unit) Dan Ruang Niaga Yang Mengandungi: A) i) 1 Blok Podium 7 Tingkat Yang Terdiri Daripada: 1 Tingkat Bawah Lobi Utama Dan Ruang Perniagaan & 6 Tingkat Tempat Letak Kereta; ii) 1 Blok Pangsapuri Servis (Menara 1) 23 Tingkat (199 Unit) Berserta Dengan Kemudahan Rekreasi; B) i) 1 Blok Pangsapuri Servis 35 Tingkat (372 Unit) Yang Terdiri Daripada: 1 Tingkat Bawah Lobi Utama Dan Ruang Perniagaan, 4 Tingkat Lobi Utama Dan Ruang Servis & Pangsapuri Servis (Menara 2a) 30 Tingkat (364 Unit) Berserta Dengan Kemudahan Rekreasi; ii) 1 Blok Pangsapuri Servis (Menara 2b) 4 Tingkat (8 Unit) Berserta Dengan Kemudahan Rekreasi Di Atas Lot PTD 166961, Mukim Pulau, Daerah Johor Bahru, Johor Darul Takzim" ("Project").

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B10. Changes in material litigation (contd.)****(b) Encorp Iskandar Development Sdn Bhd and Konsortium Ipmines Merz Sdn Bhd (contd.)**

The arbitration proceeding is commenced against KIMSB to seek, among others, the following relief:

- a) RM11,760,000.00 for liquidated damages;
- b) RM409,031.08 being the payment to third party contractors;
- c) RM13,084,610.00 being cost of rectifying the defective works and completing the outstanding works;
- d) RM112,110,789.00 being the loss of profits;
- e) In the alternative to (a), (b), (c) & (d) above, such other amount as assessed by the Arbitrator;
- f) Financing charges and/or interest charges on the monies spent on third party contractors;
- g) Opening up, review, revision and setting aside the architect's decisions and certifications;
- h) All cost and expenses incurred including solicitors' cost on an indemnity and party to party basis, interest and taxes; and
- i) General damages.

KIMSB has counterclaimed against EIDSB, among others, the sum of RM5,595,430.87 being certified claims, RM85,567.08 for GST and RM5,359,119.37 being the release of the retention sum.

Konsortium Ipmines Merz Sdn Bhd ("KIMSB") had previously commenced an adjudication proceeding against Encorp Iskandar Development Sdn Bhd ("EIDSB") for a part of its counterclaim in the arbitration as above.

However on 4th of December 2023 The Federal Court has set aside KIMSB's adjudication award of RM13,747,780.16 together with interest and cost and dismissed KIMSB's applications with cost of RM30,000.

Due to the reversal of the adjudication decision, the arbitration proceeded in accordance. Pending the conclusion of the arbitration hearing, EIDSB had submitted two (2) separate application against KIMSB. These application are Security for Cost due to the financial standing of KIMSB and Jurisdictional Objection. Parties have submitted their written submissions for both application on 28th of March 2025. Both of these applications are pending decision by the Arbitrator.

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B10. Changes in material litigation (contd.)**(b) Encorp Iskandar Development Sdn Bhd and Konsortium Ipmines Merz Sdn Bhd (contd.)**

Pending outcome of the Arbitrator's decision, it is too preliminary at this stage to ascertain the potential financial gain or loss that could arise from the arbitration. This arbitration does not have any material financial impact on the Encorp Group for the time being.

None of the directors and/or major shareholders of Encorp and/or persons connected with them has any interest, direct or indirect in the aforesaid arbitration proceeding.

Details of the notice of the arbitration can be found in the announcement dated 6th November 2019.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B11. Dividends**

The Board of Directors did not recommend any dividend for the quarter ended 31 March 2025.

B12. Profit for the period

	Quarter and Period-to-date ended 31.03.2025 RM'000
The profit is arrived at after charging/(crediting):	
a) Interest income	(1,271)
b) Other income	(339)
c) Interest expense	10,030
d) Depreciation and amortisation	608
e) Employee benefits	3,157
f) Unrealised loss on foreign exchange	(161)
g) Operating lease	
- premises	17
- equipment	9
h) Expected credit losses on trade and other receivables	(2)
i) Unwinding of discount on other liabilities at amortised costs	<u>67</u>

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
(contd.)****B13. Earnings/(Loss) per share ("EPS")**

a) Basic EPS

	Quarter and Period-to-date ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Profit/(Loss) attributable to owners of the parent	<u>(2,956)</u>	<u>9,090</u>
Weighted average number of ordinary shares in issue	<u>316,299</u>	<u>316,299</u>
Basic EPS (sen)	<u>(0.93)</u>	<u>2.87</u>

b) Diluted EPS

At the date of this report, the Company has no other dilutive potential ordinary shares. Accordingly, the diluted EPS for the current financial year is not presented.

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 29 May 2025.

By Order of the Board

ENCORP BERHAD

Company No. 200001004231 (506836-X)

Siti Masitah Binti Ibrahim

Company Secretary

Date: 29 May 2025