



Company No. 200001004231 (506836-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2025**

**ENCORP BERHAD**

Company No. 200001004231(506836-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER  
30 SEPTEMBER 2025**

	Quarter and Period-to-date ended		Year-to-date ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	RM'000	RM'000	RM'000	RM'000
Revenue	23,027	21,045	73,461	78,536
Cost of sales	(10,651)	(11,287)	(35,410)	(20,125)
Gross profit	12,376	9,758	38,051	58,411
Other income	1,686	1,552	5,332	4,802
Selling and marketing expenses	(870)	(746)	(3,634)	(2,866)
Administrative expenses	(4,706)	(10,341)	(15,179)	(20,843)
Finance costs	(10,381)	(12,765)	(29,900)	(38,192)
Other expenses	(87)	(586)	(1,295)	(1,757)
Profit/(Loss) before tax	(1,982)	(13,128)	(6,625)	(445)
Income tax	(652)	53	(1,529)	(1,632)
Profit/(Loss) net of tax	(2,634)	(13,075)	(8,154)	(2,077)
<b>Other comprehensive income</b>				
Revaluation of office building	-	-	-	-
Foreign currency translation	(573)	3,487	(226)	3,439
<b>Total comprehensive profit/(loss) for the year</b>	<b>(3,207)</b>	<b>(9,588)</b>	<b>(8,380)</b>	<b>1,362</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the parent	(2,476)	(11,776)	(7,119)	(1,738)
Non-controlling interest	(158)	(1,299)	(1,035)	(339)
	<b>(2,634)</b>	<b>(13,075)</b>	<b>(8,154)</b>	<b>(2,077)</b>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the parent	(3,048)	(8,289)	(7,503)	1,701
Non-controlling interest	(158)	(1,299)	(877)	(339)
	<b>(3,207)</b>	<b>(9,588)</b>	<b>(8,380)</b>	<b>1,362</b>
<b>Earnings/(Loss) per share attributable to owner of the parent (sen)</b>				
Basic	(0.78)	(3.72)	(2.25)	(0.55)

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

**ENCORP BERHAD**

Company No. 200001004231(506836-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2025**

	As at 30.09.2025 RM'000	As at 31.12.2024 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,103	4,321
Right-of-use assets	10,487	11,394
Intangible assets	246	311
Investment properties	305,490	305,490
Land held for property development	27,746	27,311
Trade and other receivables	176,061	258,118
Deferred tax assets	4,364	4,702
	<u>528,497</u>	<u>611,647</u>
<b>Current assets</b>		
Property development costs	50,801	45,573
Inventories	58,987	75,998
Contract assets	19,413	10,312
Tax recoverable	188	173
Trade and other receivables	151,155	133,599
Other current assets	684	1,193
Other investments	164,757	141,451
Cash and cash equivalents	13,496	17,764
	<u>459,481</u>	<u>426,063</u>
<b>Total assets</b>	<u>987,978</u>	<u>1,037,710</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2025 (contd.)**

	As at 30.09.2025 RM'000	As at 31.12.2024 RM'000
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	100,103	100,706
Other current liabilities	3,823	3,823
Contract liabilities	12,092	11,048
Loans and borrowings	163,184	158,738
Lease liabilities	1,876	1,863
Income tax payable	662	787
	<u>281,740</u>	<u>276,965</u>
<b>Non-current liabilities</b>		
Trade and other payables	15,684	15,046
Loans and borrowings	256,644	301,962
Lease liabilities	12,241	13,084
Deferred tax liabilities	3,348	4,183
	<u>287,917</u>	<u>334,275</u>
<b>Total liabilities</b>	<u>569,657</u>	<u>611,240</u>
<b>Equity attributable to owners of parent</b>		
Share capital	399,016	399,016
Treasury shares	(327)	(327)
Other reserves	32,709	32,363
Accumulated Loss	(103,484)	(96,023)
	<u>327,914</u>	<u>335,029</u>
Non-controlling interest	90,407	91,441
<b>Total equity</b>	<u>418,321</u>	<u>426,470</u>
<b>Total equity and liabilities</b>	<u>987,978</u>	<u>1,037,710</u>
<b>Net assets per share attributable to owner of the parents (RM/share)</b>	<u>1.04</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 2024 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 30 SEPTEMBER 2025**

	Non-distributable						
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated Loss RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 January 2025</b>	399,016	(327)	32,363	(96,023)	335,029	91,441	426,470
Restatements	-	-	-	(342)	(342)	-	(342)
<b>At 1 January 2025 (Restated)</b>	399,016	(327)	32,363	(96,365)	334,687	91,441	426,128
Profit for the period	-	-	-	(7,119)	(7,119)	(1,035)	(8,154)
Other comprehensive profit	-	-	347	-	347	-	347
Total comprehensive profit/(loss) for the period	-	-	347	(7,119)	(6,772)	(1,035)	(7,807)
<b>At 30 September 2025</b>	399,016	(327)	32,710	(103,484)	327,915	90,406	418,321
<b>At 1 January 2024</b>	399,016	(327)	28,121	(97,830)	328,980	89,811	418,791
Loss for the period	-	-	-	(1,738)	(1,738)	(339)	(2,077)
Other comprehensive profit	-	-	3,439	-	3,439	-	3,439
Total comprehensive (loss)/profit for the period	-	-	3,439	(1,738)	1,701	(339)	1,362
<b>At 30 September 2024</b>	399,016	(327)	31,560	(99,567)	330,681	89,472	420,153

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 31 December 2024 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 30 SEPTEMBER 2025**

	Period ended	
	30.09.2025	30.09.2024
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(6,625)	(445)
<u>Adjustments:</u>		
Depreciation	1,231	1,727
Amortisation of intangible assets	65	30
Interest expenses	29,319	38,192
Gain on money market investment security	(3,855)	(2,780)
Distribution income from money market investment security	(265)	(852)
Interest income	(336)	(334)
Expected credit losses	(86)	(544)
Unwinding of discount		
on other liabilities at amortised cost	581	-
Unrealised loss on forex	226	5,121
Operating profit before working capital changes	20,255	40,115
<u>Changes in working capital:</u>		
Changes in land held for property development and property development cost	(5,663)	(4,068)
Inventories	17,011	(8,770)
Trade and other receivables	67,799	71,512
Contract assets and contract liabilities	(8,057)	24,350
Other current assets	509	(323)
Trade and other payables	(9,260)	(736)
Cash generated from operations	82,594	122,080
Tax paid	(1,538)	(4,104)
Interest paid	(3,586)	(4,080)
<b>Net cash generated from operating activities</b>	<b>77,470</b>	<b>113,896</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (contd.)**

	<b>Period ended</b>	
	<b>30.09.2025</b>	<b>30.09.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities</b>		
Interest received	336	334
Acquisition of property, plant and equipment	(106)	(292)
Acquisition of intangible assets	-	(5)
Placement of investment security	(19,186)	(34,503)
Net cashflow used in investing activities	(18,956)	(34,466)
<b>Cash flows from financing activities</b>		
Net borrowing of loans & borrowing	10,296	(9,329)
Repayment of Sukuk Murabahah	(71,467)	(69,280)
Placement of deposits	(1,500)	92
Net payment in finance lease payables	(1,264)	(1,960)
Net cashflow used in financing activities	(63,935)	(80,477)
Net decrease in cash and cash equivalents	(5,421)	(1,047)
Effect of exchange rate changes	(347)	3,439
Cash and cash equivalents at beginning of period	16,789	15,273
Cash and cash equivalents at end of period	11,021	17,665
Cash and cash equivalents comprise the followings:		
Cash deposits placed with:		
- Licensed banks	2,440	922
- Licensed corporation	35	35
Cash and bank balances	11,021	17,665
	13,496	18,622
Less: Bank balances and deposits pledged	(2,475)	(957)
<b>Cash and cash equivalents at end of period</b>	<b>11,021</b>	<b>17,665</b>

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 30 SEPTEMBER 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**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 30 JUNE 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**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 30 September 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (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 30 September 2025, the total number of treasury shares held was 386,000.

**b) Sukuk Murabahah**

The next principal and profit payment amounting to RM77.1 million is scheduled in November 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 30 September 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 30 September 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
<b>Revenue</b>								
External customers	-	24,631	34,708	6,252	7,297	573	-	73,461
Inter-segment	5,800	-	-	1,003	13,196	-	(19,999)	-
<b>Total Revenue</b>	<u>5,800</u>	<u>24,631</u>	<u>34,708</u>	<u>7,255</u>	<u>20,493</u>	<u>573</u>	<u>(19,999)</u>	<u>73,461</u>
<b>Results:</b>								
Segment results	2,769	23,011	365	156	(1,259)	(277)	(5,527)	19,238
Interest income	2,112	4,273	8,832	62	21	1	(9,969)	5,332
Interest expense	(1,297)	(26,163)	(4,844)	(7,537)	(19)	(14)	9,974	(29,900)
Depreciation and amortisation	(1,093)	(3)	(140)	(103)	(51)	(10)	105	(1,295)
<b>(Loss)/Profit before tax</b>	<u>2,491</u>	<u>1,118</u>	<u>4,213</u>	<u>(7,422)</u>	<u>(1,308)</u>	<u>(300)</u>	<u>(5,417)</u>	<u>(6,625)</u>

\* This segment represents facilities management and general trading.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 30 September 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 30 September 2025 up to the date of this report.

	30.09.2025 RM'000	30.09.2024 RM'000
<b>Contingent liabilities:</b>		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	8,252	9,258

**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 year.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
30 SEPTEMBER 2025 (contd.)****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  
(Q3-2025 vs. Q3-2024)**

The Group recorded a revenue of RM23.0 million in Q3-2025, an increase of 9% compared to Q3-2024. This increase was attributed to higher revenue from Property Development segment by 11%.

In Q3-2025, the Group reported a loss before tax of RM1.9 million, compared to a loss before tax of RM13.1 million in Q3-2024.

**Property Development**

In Q3 2025, the Property Development segment generated RM10.2 million in revenue, reflecting a 11% increase from RM9.1 million reported in Q3 2024.

In Q3 2024 sales of Garden Office, Iris, Clover, Encorp Marina, Tilia, Lamanda Chuping Phase 1 RMM and Cahaya Kristal project contributed around RM9.1 million compared to Q3 2025 sales of Tilia, Iris, Clover, Lamanda Chuping Phase 1 RKS, Cahaya Kristal as well Encorp Marina project which contributed around RM10.2 million.

YTD Q3 2025, the segment recorded a profit before tax of RM4.2 million. In contrast, in Q3 2024 is higher by more than 100% ie. RM14.4 million resulted from reversal of legal provision for Encorp Marina project legal suit ie. Konsortium Ipminez of RM14 million and cost saving of RM1.2 million from completed phase Lily resulted in reported profit before tax of RM18.6 million.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 (Q3-2025 vs. Q3-2024) (contd.)****Investment Property**

The segment's revenue saw an increase of 35% in Q3-2025, up from RM1.6 million in Q3-2024, an increase by RM0.5 million. This revenue growth is attributed improved rental rates for Strand Mall, reflecting an overall improvement in rental pricing from RM1.71 per square foot in Q3 2024 to RM1.98 per square foot in Q3 2025. Rental rate for Warna Avenue has also increased from RM1.96 per square foot in Q3 2024 to RM2.29 per Square foot in Q3 2025.

With these positive developments in revenue, the segment's loss before tax showed an improvement, with losses reducing from RM8.5 million in YTD Q3-2024 to RM7.4 million in YTD Q3-2025, an enhancement of RM1.1 million.

**Concessionaire**

The concession division recorded a revenue of RM7.6 million in Q3-2025 compared to a revenue of RM10.1 million in Q3-2024. This represents a reduction of RM2.5 million or approximately 2.4% 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 30 SEPTEMBER 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 RM23.0 million in Q3-2025, reflecting a 27% decrease compared to Q2-2025.

Concession Income: Revenue stood at RM7.6 million, representing a 7% decrease from Q2-2025. 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 2025. The concession is set to expire in 2028.

Property Development Sales: Revenue for this segment experienced 45% decrease, amounting to a variance of RM8.2 million. The decrease was mainly due to lower revenue of RM6.8 million and RM3.2 million from EMPH and Tilia projects each respectively.

Facility Management: Revenue increased by 4%, rising from RM0.20 million to RM0.21 million, driven by higher patronage at the mall car park.

Rental Income: Improved by 1% from RM2.11 million in Q2-2025 to RM2.14million Q3-2025, its attributed to an increase in rental rates for Warna Avenue, from RM1.96 psf to RM2.29 psf

Contract Revenue: Recorded an increase of 4% from RM2.8 million in Q2 2025 to RM2.9 million in Q3 2025 mainly from replanting and logistic stream.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA (contd.)****B3. Commentary on prospects**

Following Bank Negara Malaysia's reduction of the OPR to 2.75% on 9 July 2025, prospects for the property sector have improved. The lower rate environment is expected to ease financing costs for homebuyers, stimulate demand particularly in the affordable housing segment and enhance overall investment sentiment. These factors are likely to support Encorp's sales performance and development pipeline going forward.

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. Balau Residences becomes ENCORP's first project to receive the GreenRE Provisional Silver Certification as a group, demonstrating compliance with essential sustainability criteria such as energy-efficient design, water-saving measures, responsible material use, sustainable construction practices and enhanced indoor environmental quality, thereby strengthening the project's environmental performance, improving long-term operational efficiency, supporting cost-effective maintenance and reinforcing ENCORP's commitment to delivering future-ready developments.

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 30 SEPTEMBER 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		Period-to-date ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	RM'000	RM'000	RM'000	RM'000
Income tax	(1,752)	137	(1,944)	(2,028)
Deferred tax	1,100	(84)	415	396
	<u>(652)</u>	<u>53</u>	<u>(1,529)</u>	<u>(1,632)</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 30 September 2025.

**B7. Purchase or disposal of quoted securities**

There were no purchase or disposal of quoted securities for the financial year ended 30 September 2025.

**B8. Status of corporate proposals**

There was no corporate proposal announced but not completed as at 30 September 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA (contd.)****B9. Borrowings and debt securities**

	As at 30.09.2025	
	Current RM'000	Non-current RM'000
<b>Secured</b>		
Sukuk Murabahah	101,605	254,450
Term loan	9,502	1,944
Revolving credit	51,884	-
Finance lease liabilities	193	250
	<u>163,184</u>	<u>256,644</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 5<sup>th</sup> July 2018, served a Notice to Arbitrate on Bumimetro Construction Sdn Bhd ('BCSB') dated 4<sup>th</sup> 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 30 SEPTEMBER 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 10<sup>th</sup> 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 6<sup>th</sup> of May 2025. The court has ordered for both applications to be heard together.

On 19<sup>th</sup> of September 2025, the Court dismissed Bumimetro's application to set aside the award and allowed MEDSB's application to enforce the award. Following this, on 10<sup>th</sup> of October 2025, Bumimetro has filed an appeal to the Court of Appeal against both decision of the High Court.

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 30 SEPTEMBER 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 6<sup>th</sup> November 2019, served a Notice of Arbitration dated 6<sup>th</sup> 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 Pulai, Daerah Johor Bahru, Johor Darul Takzim” (“Project”).

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 applications on 28<sup>th</sup> of March 2025. Both of these applications are pending decision by the Arbitrator.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
30 SEPTEMBER 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.)**

On 20<sup>th</sup> August 2025, the Arbitrator dismissed EIDSB's application for further Security for Cost. However, the Arbitrator have yet to disposed EIDSB's application of Jurisdictional Objection against the KIMSB. Due to this, parties have yet to receive a fixed date from the Arbitrator to continue the Arbitration hearing.

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 30 SEPTEMBER 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 30 September 2025.

**B12. Profit for the period**

	Quarter and Period-to-date ended 30.09.2025 RM'000	Year-todate ended 30.09.2025 RM'000
The profit is arrived at after charging/(crediting):		
a) Interest income	(1,440)	(4,456)
b) Other income	(246)	(876)
c) Interest expense	10,381	29,900
d) Depreciation and amortisation	87	1,295
e) Employee benefits	680	1,482
f) Unrealised loss on foreign exchange	(298)	226
g) Operating lease		
- premises	10	27
- equipment	5	14
h) Expected credit losses on trade and other receivables	22	(25)
i) Unwinding of discount on other liabilities at amortised costs	22	66

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2025 (contd.)****PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA (contd.)****B13. (Loss)/Earnings per share ("EPS")**

## a) Basic EPS

	Quarter and Period-to-date ended		Year-to-date ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to owners of the parent	(2,476)	(11,776)	(7,119)	(1,738)
Weighted average number of ordinary shares in issue	316,299	316,299	316,299	316,299
<b>Basic EPS (sen)</b>	<b>(0.78)</b>	<b>(3.72)</b>	<b>(2.25)</b>	<b>(0.55)</b>

## 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 28 November 2025.

By Order of the Board

**ENCORP BERHAD****Company No. 200001004231 (506836-X)**

Company Secretary

Date: 28 November 2025