



Company No. 200001004231 (506836-X)

(Incorporated in Malaysia)

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

**ENCORP BERHAD**

Company No. 200001004231(506836-X)

(Incorporated in Malaysia)

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

	Quarter and		Year-to-date ended	
	Period-to-date ended			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Revenue	19,161	25,477	92,621	104,013
Cost of sales	(9,348)	(4,541)	(44,757)	(24,666)
Gross profit	9,813	20,936	47,864	79,347
Other income	6,700	6,814	12,032	11,616
Selling and marketing expenses	(120)	(627)	(3,754)	(3,493)
Administrative expenses	(9,903)	(6,116)	(25,082)	(26,959)
Finance costs	(8,805)	(12,714)	(38,705)	(50,906)
Other expenses	343	(1,792)	(952)	(3,549)
Profit/(Loss) before tax	(1,972)	6,501	(8,597)	6,056
Income tax	(1,345)	(988)	(2,874)	(2,620)
Profit/(Loss) net of tax	(3,318)	5,513	(11,472)	3,436
<b>Other comprehensive income</b>				
Revaluation of office building	-	-	-	-
Foreign currency translation	(545)	803	(771)	4,242
<b>Total comprehensive profit/(loss) for the year</b>	<b>(3,863)</b>	<b>6,316</b>	<b>(12,243)</b>	<b>7,678</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the parent	(4,508)	3,544	(11,627)	1,806
Non-controlling interest	1,190	1,969	155	1,630
	<b>(3,318)</b>	<b>5,513</b>	<b>(11,472)</b>	<b>3,436</b>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the parent	(5,053)	4,347	(12,398)	6,048
Non-controlling interest	1,190	1,969	155	1,630
	<b>(3,863)</b>	<b>6,316</b>	<b>(12,243)</b>	<b>7,678</b>
<b>Earnings/(Loss) per share attributable to owner of the parent (sen)</b>				
Basic	(1.43)	1.12	(3.68)	0.57

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 2025 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 31 DECEMBER 2025**

	As at 31.12.2025 RM'000	As at 31.12.2024 RM'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,973	4,321
Right-of-use assets	10,393	11,394
Intangible assets	224	311
Investment properties	309,730	305,490
Land held for property development	27,964	27,311
Trade and other receivables	143,300	258,118
Deferred tax assets	5,092	4,702
	<u>500,676</u>	<u>611,647</u>
<b>Current assets</b>		
Property development costs	46,091	45,573
Inventories	58,389	75,998
Contract assets	13,520	10,312
Tax recoverable	159	173
Trade and other receivables	150,762	133,599
Other current assets	254	1,193
Other investments	145,099	141,451
Cash and cash equivalents	4,845	17,764
	<u>419,119</u>	<u>426,063</u>
Asset of disposal group classified as held for sale	-	-
	<u>419,119</u>	<u>426,063</u>
<b>Total assets</b>	<u>919,795</u>	<u>1,037,710</u>

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

	As at 31.12.2025 RM'000	As at 31.12.2024 RM'000
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	77,654	100,706
Other current liabilities	4,503	3,823
Contract liabilities	13,479	11,048
Loans and borrowings	159,059	158,738
Lease liabilities	2,501	1,863
Income tax payable	1,285	787
	<u>258,481</u>	<u>276,965</u>
<b>Non-current liabilities</b>		
Trade and other payables	30,889	15,046
Loans and borrowings	200,343	301,962
Lease liabilities	12,292	13,084
Deferred tax liabilities	4,463	4,183
	<u>247,987</u>	<u>334,275</u>
<b>Total liabilities</b>	<u>506,468</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	31,592	32,363
Accumulated Loss	(108,551)	(96,023)
	<u>321,730</u>	<u>335,029</u>
Non-controlling interest	91,597	91,441
<b>Total equity</b>	<u>413,327</u>	<u>426,470</u>
<b>Total equity and liabilities</b>	<u>919,795</u>	<u>1,037,710</u>
Net assets per share attributable to owner of the parents (RM/share)	<u>1.02</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 2025 and the accompanying explanatory notes attached to the interim financial statements.

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Company No. 200001004231(506836-X)

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

	← Non-distributable →			Accumulated Loss	Total	Non-controlling interest	Total equity
	Share capital	Treasury shares	Other reserves				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2025</b>	399,016	(327)	32,363	(96,023)	335,028	91,441	426,469
Profit for the period	-	-	-	(11,472)	(11,627)	156	(11,471)
Other comprehensive profit	-	-	(771)	(900)	(1,671)	-	(1,671)
Total comprehensive profit/(loss) for the period	-	-	(771)	(12,372)	(13,298)	156	(13,142)
<b>At 31 DECEMBER 2025</b>	399,016	(327)	31,592	(108,395)	321,730	91,597	413,327
<b>At 1 January 2024</b>	399,016	(327)	28,121	(97,830)	328,980	89,811	418,791
Loss for the period	-	-	-	1,806	1,806	1,630	3,436
Other comprehensive profit	-	-	4,242	-	4,242	-	4,242
Total comprehensive (loss)/profit for the period	-	-	4,242	1,806	6,048	1,630	7,678
<b>At 31 DECEMBER 2024</b>	399,016	(327)	32,363	(96,023)	335,028	91,441	426,469

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

	Period ended	
	31.12.2025	31.12.2024
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	(8,597)	6,057
<u>Adjustments:</u>		
Depreciation	1,477	2,447
Amortisation of intangible assets	87	45
Interest expenses	29,319	50,906
Gain on money market investment security	(3,717)	(3,955)
Distribution income from money market investment security	(288)	(988)
Interest income	(422)	(602)
Deposit forfeited income	-	(76)
Provision for short-tem accumulating compensated absences	-	331
(Gain)/loss in fair value of investment properties	(4,240)	(2,160)
Expected credit losses/(Reversal of expected credit loss)	-	(2,627)
Inventories written down	-	(1,815)
Write off of land held for development	-	1,056
Expected credit losses	(132)	885
Unwinding of discount		
on other liabilities at amortised cost	581	(91)
Unrealised loss on forex	(1)	6,301
Operating profit before working capital changes	14,067	55,714
<u>Changes in working capital:</u>		
Changes in land held for property development and property development cost	(1,171)	(8,959)
Inventories	17,609	1,390
Trade and other receivables	97,789	96,108
Contract assets and contract liabilities	(777)	6,744
Other current assets	939	(462)
Trade and other payables	(7,790)	11,030
Other current liabilities	680	-
Cash generated from operations	121,346	161,565
Tax paid	(3,373)	(4,542)
Interest paid	4,058	(32,769)
<b>Net cash generated from operating activities</b>	<b>122,031</b>	<b>124,254</b>

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

	Period ended	
	31.12.2025 RM'000	31.12.2024 RM'000
<b>Cash flows from investing activities</b>		
Interest received	422	602
Acquisition of property, plant and equipment	(128)	(230)
Acquisition of intangible assets	-	(244)
Withdrawal/(Investment) in other investments	357	649
Withdrawal of deposits with licensed bank	-	74
Distribution income received	-	988
Net cashflow used in investing activities	651	1,839
<b>Cash flows from financing activities</b>		
Net borrowing of loans & borrowing	-	5,504
Repayment of Sukuk Murabahah	(136,458)	(131,555)
Placement of deposits	(235)	-
Drawdown from loans and borrowings	2,216	-
Net payment in finance lease payables	(587)	(2,614)
Net cashflow generated from financing activities	(135,064)	(128,665)
Net increase/(decrease) in cash and cash equivalents	(12,382)	(2,572)
Effect of exchange rate changes	(771)	4,088
Cash and cash equivalents at beginning of period	16,789	15,273
Cash and cash equivalents at end of period	3,635	16,789
Cash and cash equivalents comprise the followings:		
Cash deposits placed with:		
- Licensed banks	1,174	940
- Licensed corporation	36	35
Cash and bank balances	3,635	16,789
	4,845	17,764
Less: Bank balances and deposits pledged	(1,210)	(975)
<b>Cash and cash equivalents at end of period</b>	<b>3,635</b>	<b>16,789</b>

The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2025 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 DECEMBER 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 2025. 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 2025.

**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 2025, 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  
31 DECEMBER 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 2025 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 December 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
31 DECEMBER 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 31 December 2025, the total number of treasury shares held was 386,000.

**b) Sukuk Murabahah**

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 December 2025.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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 December 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	-	31,421	43,350	9,833	26,316	774	(19,072)	92,622
Inter-segment	8,183	-	-	-	-	-	(8,183)	-
<b>Total Revenue</b>	<b>8,183</b>	<b>31,421</b>	<b>43,350</b>	<b>9,833</b>	<b>26,316</b>	<b>774</b>	<b>(27,256)</b>	<b>92,622</b>
<b>Results:</b>								
Segment results	630	29,656	(8,652)	4,998	(1,692)	(418)	174	24,697
Interest income	2,745	4,029	12,096	12	30	2	(12,552)	6,362
Interest expense	(1,582)	(34,853)	(6,831)	(9,825)	(83)	(19)	14,489	(38,705)
Depreciation and amortisation	(1,152)	(3)	447	(138)	(52)	(13)	(41)	(952)
<b>(Loss)/Profit before tax</b>	<b>640</b>	<b>(1,171)</b>	<b>(2,939)</b>	<b>(4,954)</b>	<b>(1,797)</b>	<b>(448)</b>	<b>2,071</b>	<b>(8,597)</b>

\* This segment represents facilities management and general trading.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
31 DECEMBER 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 December 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 December 2025 up to the date of this report.

	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Contingent liabilities:</b>		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	8,252	8,225

**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  
31 DECEMBER 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  
(Q4-2025 vs. Q4-2024)**

The Group recorded a revenue of RM19.2 million in Q4-2025, a decrease of 25% compared to Q4-2024 of RM25.5 million. This decrease was attributed to lower revenue from Property Development segment.

In Q4-2025, the Group reported a loss before tax of RM8.6 million, compared to a profit before tax of RM6.0 million in Q4-2024.

**Property Development**

In Q4 2025, the Property Development segment generated RM8.6 million in revenue, reflecting a -5% decrease from RM9.1 million reported in Q4 2024.

In Q4 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 Q4 2025 sales of Tilia, Lamanda Chuping Phase 1 RKS as well Encorp Marina project which contributed around RM8.6 million.

YTD Q4 2025, the segment recorded a profit before tax of RM4.2 million. In contrast, in Q4 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  
31 DECEMBER 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  
(Q4-2025 vs. Q4-2024) (contd.)****Investment Property**

The segment's revenue saw an increase of 16.3% in Q4-2025, up from RM1.8 million in Q4-2024, 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 RM1.64. per square foot in Q4 2024 to RM2.03 per square foot in Q4 2025. Rental rate for Warna Avenue has also increased from RM2.02 per square foot in Q4 2024 to RM2.27 per Square foot in Q4 2025.

With these positive developments in revenue, the segment's loss before tax showed an improvement, with losses reducing from RM9.3 million in YTD Q4-2024 to RM5.9 million in YTD Q4-2025, an enhancement of RM3.4 million.

**Concessionaire**

The concession division recorded a revenue of RM7.6 million in Q4-2025 compared to a revenue of RM10.1 million in Q4-2024. 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 31 DECEMBER 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 RM19.1 million in Q4-2025, reflecting a 17% decrease compared to Q3-2025.

Concession Income: Revenue stood at RM7.6 million, representing a 7% decrease from Q3-2025. 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 15% decrease, amounting to a variance of RM1.5 million. The decrease was mainly due to lower revenue of EMPH with RM3.2 million variance, a reversal of CK profit recognised of RM1.6 million but was offset against Tilia increase of RM5.8 million.

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 Q3-2025 to RM2.14million Q4-2025, it's 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 Q3 2025 to RM2.9 million in Q4 2025 mainly from replanting and logistic stream.

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### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 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 first quarter of 2026, 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  
31 DECEMBER 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		Preriod-to-date ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Income tax	(1,001)	(871)	(2,945)	(2,899)
Deferred tax	(344)	(117)	71	279
	<u>(1,345)</u>	<u>(988)</u>	<u>(2,874)</u>	<u>(2,620)</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 December 2025.

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

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

**B8. Status of corporate proposals**

There was no corporate proposal announced but not completed as at 31 December 2025.

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

	As at 31.12.2025	
	Current RM'000	Non-current RM'000
<b>Secured</b>		
Sukuk Murabahah	101,605	198,148
Term loan	8,443	2,083
Revolving credit	49,000	-
Finance lease liabilities	11	111
	<u>159,059</u>	<u>200,343</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  
31 DECEMBER 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 31 DECEMBER 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  
31 DECEMBER 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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
31 DECEMBER 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  
31 DECEMBER 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 December 2025.

**B12. Profit for the period**

	Quarter and Period-to-date ended 31.12.2025 RM'000	Year-todate ended 31.12.2025 RM'000
The profit is arrived at after charging/(crediting):		
a) Interest income	(1,440)	(6,362)
b) Other income	(246)	(5,670)
c) Interest expense	10,381	38,705
d) Depreciation and amortisation	87	952
e) Employee benefits	680	14,810
f) Unrealised gain on foreign exchange	(298)	(162)
g) Operating lease		
- premises	10	280
- equipment	5	139
h) Expected credit losses on trade and other receivables	22	132
i) Gain of fair value of investment properties	(4,240)	(4,240)
j) Unwinding of discount on other liabilities at amortised costs	22	781

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED  
31 DECEMBER 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	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Profit/(Loss) attributable to owners of the parent	<u>(4,508)</u>	<u>3,544</u>	<u>(11,627)</u>	<u>1806</u>
Weighted average number of ordinary shares in issue	<u>316,299</u>	<u>316,299</u>	<u>316,299</u>	<u>316,299</u>
<b>Basic EPS (sen)</b>	<u>(1.43)</u>	<u>1.12</u>	<u>(3.68)</u>	<u>0.57</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 24 February 2026.

By Order of the Board

**ENCORP BERHAD**

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

Company Secretary

Date: 24 February 2026