

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Circular prior to its issuance as it is prescribed as an exempt circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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**ENCORP BERHAD**

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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED  
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution in respect of the above proposal will be tabled as Special Business at the Twenty-Second Annual General Meeting ("22<sup>nd</sup> AGM") of the Company, which will be conducted as a virtual AGM at the Broadcast Venue at Executive Lounge, Third Floor, Encorp Berhad, No 46-3, Jalan PJU 5/22, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 29 June 2022 at 3.00 p.m.. The Notice of the 22<sup>nd</sup> AGM together with the Proxy Form and Administrative Guide are set out in the Annual Report 2021 of the Company dispatched together with this Circular. Please follow the procedures provided in the Administrative Guide for the 22<sup>nd</sup> AGM in order to register, participate and vote remotely.

Last date and time for lodging the Form of Proxy	: Monday, 27 June 2022 at 3.00 p.m.
Date and time of the AGM	: Wednesday, 29 June 2022 at 3.00 p.m.

This Circular is dated 29 April 2022

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## DEFINITIONS

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Except where the context otherwise requires, the following shall apply throughout this Circular:

“Act”	:	Companies Act, 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	Board of Directors of Encorp Berhad
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CMSA”	:	Capital Markets and Services Act 2007
“Directors”	:	Shall have the meaning given in Section 2(1) of the CMSA and for purposes of the Proposed Shareholders’ Mandate includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a director or chief executive of Encorp and/or its subsidiaries
“Encorp” or “the Company”	:	Encorp Berhad
“Encorp Group” or “the Group”	:	Encorp and its subsidiary companies
“FELDA”	:	Federal Land Development Authority
“FIC”	:	Felda Investment Corporation Sdn Bhd
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
“LPD”	:	15 April 2022, being the latest practicable date prior to the printing of this Circular
“Major Shareholder”	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:-</p> <ul style="list-style-type: none"><li>(a) 10% or more of the total number of voting shares in the Company; or</li><li>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company</li></ul>

For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act

For purposes of the Proposed Shareholders’ Mandate, a major shareholder includes any person who is or was within the preceding 6 months of the date on which terms of the transactions were agreed upon, a major shareholder of Encorp and/or its subsidiaries

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**DEFINITIONS (Cont'd)**

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“NA”	:	Net Assets attributable to ordinary equity holders of the Company
“Person Connected”	:	Person connected with a Director or Major Shareholder as defined in the Listing Requirement.
“Proposed Shareholders’ Mandate”	:	Proposed renewal of existing shareholders’ mandate for Recurrent Related Party Transactions to be entered into by the Group from the date of the forthcoming AGM to the next AGM
“Recurrent Related Party Transaction(s)”	:	Related Party Transaction(s) involving recurrent transactions of a revenue or trading nature that are necessary for the day-to-day operations and are in the ordinary course of business of the Group
“Related Party(ies)”	:	Director(s), Major Shareholder(s) or Person(s) Connected
“Related Party Transaction(s)”	:	Transaction(s) entered into by Encorp Group which involve(s) the interest, direct or indirect, of the Related Party(ies)
“RM”	:	Ringgit Malaysia

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**ENCORP BERHAD**  
(Company No. : 200001004231 (506836-X))  
(Incorporated in Malaysia)

**Registered Office:**

No. 45-1, Jalan PJU 5/21  
Pusat Perdagangan Kota Damansara  
Kota Damansara PJU 5  
47810 Petaling Jaya  
Selangor Darul Ehsan

29 April 2022

**Board of Directors: -**

Tuan Haji Sr. Mohd Ali Bin Abd Karim (*Non-Executive Chairman, Independent Non-Executive Director*)  
YBhg Datuk Haji Jaafar Bin Abu Bakar (*Independent Non-Executive Director*)  
Mahadzir Bin Mustafa (*Non-Independent Non-Executive Director*)  
YBhg Datuk Shireen Ann Zaharah Binti Muhiudeen (*Non-Independent Non-Executive Director*)  
Tuan Haji Lukman Bin Abu Bakar (*Independent Non-Executive Director*)

**To: The Shareholders of Encorp**

Dear Sir/Madam,

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1.0 INTRODUCTION**

The Company had on 10 September 2021, obtained a shareholders' mandate for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions on terms that are not more favourable to the Related Parties than those generally available to the public.

The Board of Directors of the Company had on 28 February 2022, announced its intention to seek its shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming 22<sup>nd</sup> AGM of the Company.

The purpose of this Circular is to provide you with relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution 10, which is to be tabled as Special Business at the forthcoming 22<sup>nd</sup> AGM of the Company. The Notice of the 22<sup>nd</sup> AGM together with the Form of Proxy are enclosed in the Annual Report 2021 which is dispatched together with this Circular.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS AND APPENDIX OF THIS  
CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE  
PROPOSED SHAREHOLDERS' MANDATE**

## **2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Introduction**

Pursuant to Part E, Paragraph 10.09 of Chapter 10 of the Listing Requirements, the Company may seek its shareholders' mandate with regard to Related Party Transactions involving recurrent transactions of a revenue or trading nature which are made at arm's length and are necessary for its day-to-day operations subject to, inter alia, the following:

- (a) the transactions are in the ordinary course of business of the Group and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
  - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is RM1 million or more; or
  - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is higher;

- (c) the Company's circular to shareholders for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder and where the interest of an interested Person Connected with a Director or Major Shareholder is involved, such Director or Major Shareholder, must not vote on the resolution approving the transactions and an interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the Company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement. As disclosed under Section 2.3(a) of this Circular, the estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group which varies from project to project. However, in accordance with Paragraph 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of the transactions is not more than 10%.

The principal activities of the Company are investment holding and provision of general management support services. The principal activities of its subsidiaries are investment holding, property project management, property development, property investment, construction project management, concessionaire to build and transfer teachers' quarters to the Government of Malaysia, facilities management services provider and general trading.

It is envisaged that in the normal course of the Group's businesses, transactions of a revenue or trading nature between companies in the Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Directors are seeking approval from shareholders for the Proposed Shareholders' Mandate which will allow the Group, in their normal course of business, to enter into the category of Recurrent Related Party Transactions referred to in Section 2.3(a) of this Circular with the Related Parties, provided such transactions are made at arms' length, on the Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall take effect from and including 29 June 2022 being the date of the forthcoming 22<sup>nd</sup> AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the AGM at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

Disclosure will be made in the Company's Annual Report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year pursuant to the Proposed Shareholders' Mandate based on the following information:

- (a) Type of Recurrent Related Party Transactions entered into; and
- (b) Names of the Related Parties involved in each type of the Recurrent Related Party Transaction entered into and their relationship with the Company.

## **2.2 Classes of Related Parties**

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Directors or Major Shareholders; and
- (ii) Persons connected with the Directors or Major Shareholders.

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## 2.3 Details of Recurrent Related Party Transactions Contemplated under the Proposed Shareholders' Mandate

The class and nature of the Recurrent Related Party Transactions of the Group are as follows:-

### (a) Existing Shareholders' Mandate

Company	Transacting Related Party	Nature of Transaction	Interested Directors, Major Shareholders and/or Persons Connected with them	Estimated aggregate value from the forthcoming 22 <sup>nd</sup> AGM until the next AGM (RM)	Estimated aggregate value for preceding year's mandate disclosed in circular dated 24 May 2021 (RM)	Actual value of transaction since last AGM until LPD (RM)
Encorp Group	Directors and/or Major Shareholders of Encorp Group and Persons Connected with them	Sale of land based properties in the ordinary course of business of not more than 10% of any one of the percentage ratios in the Listing Requirements	Directors and/or Major Shareholders of Encorp Group and Persons Connected with them <sup>(1)</sup>	#	#	Nil

Notes:

1. *The Directors, Major Shareholders and/or Persons Connected with them who would be purchasing the properties sold by the Group could not be ascertained at this juncture.*
- # *Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group which varies from project to project. However, in accordance with Paragraph 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of the transactions is not more than 10%.*

## 2.4 Amount Due and Owing by Related Parties

As at the financial year ended 31 December 2021 and the LPD, there is no outstanding amount due and owing to Encorp Group under the Recurrent Related Party Transactions as per Section 2.3(a) of this Circular which has exceeded the credit term.

## 2.5 Review Procedures In Relation To Recurrent Related Party Transactions

The Group has established various procedures to ensure that the Recurrent Related Party Transactions are conducted at arms' length and on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The following principle will generally apply:

- (a) The Recurrent Related Party Transactions will be undertaken based on prevailing rates/prices of the goods or services (including where applicable, preferential rates/discounts accorded to a class or classes of customers or for bulk purchasers) according to commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations.

Wherever possible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products and/or quantities will be used as comparison, to determine whether the price and terms offered to the related parties are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of products and/or quantities.



In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the Audit, Risk and Governance Committee, in its review of the Recurrent Related Party Transactions may, as it deems fit and whenever available, request for additional information pertaining to the transactions from independent sources or advisers to ensure that the Recurrent Related Party Transactions are not detrimental to the Group.

To monitor the Recurrent Related Party Transactions, the procedures established by the Group are as follows:-

- (i) Any tender, quotation or contract received from or proposed to be entered with a Related Party will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions.
- (ii) Records will be maintained by the Company to capture all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (iii) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. Any divergence will be reported to the Audit, Risk and Governance Committee.
- (iv) The Audit, Risk and Governance Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with and the review shall be done at every quarter together with the review of the quarterly results.
- (v) Disclosure will be made in the Annual Report of the Company of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year, in accordance with the provision of Paragraph 10.09, Chapter 10 and Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements.
- (vi) The Audit, Risk and Governance Committee shall review the adequacy and appropriateness of the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

Where any Director has an interest (direct or indirect) in any Recurrent Related Party Transactions, such Director (or his alternate, where applicable) shall abstain from Board deliberations and voting on the manner.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain shareholders' approval for the Proposed Shareholders' Mandate, the interested Director, interested Major Shareholder or interested Persons Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must abstain from voting on the resolution approving the transactions. An interested Director or interested Major Shareholder must also ensure that Persons Connected with him abstain from voting on the resolution approving the transactions.

Interested Directors shall also abstain from deliberating at Board meetings in respect of the Recurrent Related Party Transactions in which they or Persons Connected with them are interested.

## **2.6 Guidelines on Thresholds for Approval**

There are no specific thresholds for approval of Recurrent Related Party Transactions within the Group. However, all Recurrent Related Party Transactions are subject to the approval of the appropriate levels of authority as determined by the Senior Management and/or the Board from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary, provided always that such personnel has no interest in the transaction.

The Recurrent Related Party Transactions contemplated under the Proposed Shareholders' Mandate will be carried out on arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

## **2.7 Audit, Risk and Governance Committee Statement**

The Audit, Risk and Governance Committee has considered the procedures for Recurrent Related Party Transactions as set out in Section 2.5 of this Circular and is of the view that:-

- (i) the procedures are sufficient to ensure that the Recurrent Related Party Transactions will be conducted at arm's length and on normal commercial terms which are consistent with the Group's usual business practices, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner. The Audit, Risk and Governance Committee and/or management staff will carry out the review of the procedures and processes annually as and when necessary.

## **3.0 RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Recurrent Related Party Transactions that are set out in this Circular are all in the ordinary course of business and intended to meet the business needs of the Group on the best possible terms and represent sound business decisions which are taken for legitimate and bona fide business purposes which will enhance the Group's ability to explore beneficial business opportunities.

The Proposed Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make announcements to Bursa Securities or to convene separate general meetings from time to time to seek shareholders' approval as and when Recurrent Related Party Transaction(s) with the specified classes of Related Parties arise. This will reduce substantially the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow manpower resources and time to be focused on attaining the Group's corporate objectives and business opportunities.

The Proposed Shareholders' Mandate, is intended to facilitate transactions entered into the ordinary course of business of the Group which are transacted from time to time with the Related Parties at arm's length, on the Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

## **4.0 FINANCIAL EFFECTS**

The Proposed Shareholders' Mandate will not have any effect on the issued and paid-up share capital and the Major Shareholders' shareholdings structure of Encorp, and is not expected to have any material effect on the NA and earnings of the Group.

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## 5.0 INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDERS

The direct and indirect interests of the Directors and Major Shareholders who are interested in the Proposed Shareholders' Mandate as at LPD are as follows:

<u>Interested Directors</u>	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
Tuan Haji Sr. Mohd Ali Bin Abd Karim	-	-	-	-
YBhg Datuk Haji Jaafar Bin Abu Bakar	-	-	-	-
Mahadzir Bin Mustafa	-	-	-	-
YBhg Datuk Shireen Ann Zaharah Binti Muhiudeen	-	-	-	-
Tuan Haji Lukman Bin Abu Bakar	-	-	-	-

  

<u>Interested Major Shareholders</u>	← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%
FIC	197,067,526	62.30	-	-
FELDA	-	-	197,067,526 <sup>(i)</sup>	62.30 <sup>(i)</sup>
Anjakan Masyhur Sdn Bhd	40,000,000	12.65	-	-
Azhar Bin Mohd Awal	-	-	40,000,000 <sup>(ii)</sup>	12.65 <sup>(ii)</sup>
Azman Hanafi Bin Abdullah	-	-	40,000,000 <sup>(ii)</sup>	12.65 <sup>(ii)</sup>

Notes:

(i) Deemed interest through FIC pursuant to Section 8 of the Companies Act, 2016.

(ii) Deemed interest by virtue of their substantial shareholdings in Anjakan Masyhur Sdn Bhd.

Based on the table set above, all interested Directors of Encorp have and will continue to abstain from all Board deliberations and voting at relevant Board meetings in relation to Recurrent Related Party Transactions under Section 2.3(a) above.

The interested Directors and Major Shareholders of Encorp will abstain and undertake the Persons Connected with them abstain from voting on Recurrent Related Party Transactions under Section 2.3(a) above in respect of their direct and indirect shareholdings, if any, at the forthcoming 22<sup>nd</sup> AGM.

## 6.0 DIRECTORS' RECOMMENDATION

The Board has refrained from forming an opinion on Recurrent Related Party Transactions under Section 2.3(a) above and making any recommendation in respect thereof as the transacting Related Parties cannot be ascertained as at the date of this Circular.

## 7.0 22<sup>nd</sup> AGM

The resolution on the Proposed Shareholders' Mandate will be tabled as Special Business at the 22<sup>nd</sup> AGM of the Company, the Notice of which is enclosed in the Annual Report 2021 of the Company. The 22<sup>nd</sup> AGM will be conducted as a virtual AGM at the Broadcast Venue at Executive Lounge, Third Floor, Encorp Berhad, No 46-3, Jalan PJU 5/22, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 29 June 2022 at 3.00 p.m. or at any adjournment thereof.

If you are unable to participate at the 22<sup>nd</sup> AGM via remote participation and voting facilities provided by SS E Solutions Sdn. Bhd., you may appoint proxy(ies) by executing the Form of Proxy enclosed in the Notice of 22<sup>nd</sup> AGM dispatched together with this Circular, in accordance with the instructions printed thereon as soon as possible to be deposited at the Company's Shares Registrar office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than 48 hours before the time set for the AGM. The instrument appointing a proxy can also be electronically submitted to the Share Registrar via Securities Services e-Portal accessible at <https://sshsb.net.my/> before the cut-off time as mentioned above. Kindly refer to the Administrative Guide for the 22<sup>nd</sup> AGM as contained in Annual Report 2021 for further information.

## **8.0 FURTHER INFORMATION**

Shareholders are requested to refer to the Appendix I for further information.

Yours faithfully  
For and on behalf of the Board of Directors  
**ENCORP BERHAD**

**Tuan Haji Sr. Mohd Ali Bin Abd Karim**  
Non-Executive Chairman, Independent Non-Executive Director

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## FURTHER INFORMATION

### 1. Directors' Responsibility Statement

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts which, if omitted, would make any statement in this Circular misleading.

### 2. Material Contracts

There is no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group within the 2 years immediately preceding the date of this Circular.

### 3. Material Litigation

As at LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings, pending or threatened, against the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

- (a) In The Matter of an AIAC Arbitration between Must Ehsan Development Sdn Bhd (Claimant) ("MEDSB") and Bumimetro Construction Sdn Bhd (Respondent) ("BCSB"): [ADM-619-2018]

MEDSB has on 5 July 2018, served a Notice to Arbitrate dated 4 July 2018 on BCSB 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" ("Project").

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

- a. MEDSB's claim of RM24,630,000.00 for liquidated damages;
- b. MEDSB's claim of RM2,230,346.77 for increased cost incurred for appointment of 3rd party contractors;
- c. MEDSB's claim of RM3,000,000.00 for classic penalty;
- d. General Damages;
- e. Interest;
- f. Costs; and
- g. Any further and other reliefs the Tribunal may deem appropriate.

Bumimetro has counterclaimed against MEDSB, among others, on the sum of RM12,534,461.52 being the sum certified, 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.

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 points of claim. The arbitration does not have any material financial impact on the 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.

- (b) In the matter of Arbitration Proceeding by Encorp Iskandar Development Sdn Bhd (Claimant) ("EIDSB") against Konsortium Ipmines Merz Sdn Bhd (Respondent) ("KIMSB")

EIDSB, a wholly-owned subsidiary of Encorp Must Sdn Bhd, which in turn is a wholly-owned subsidiary of Encorp, has on 6 November 2019, served a Notice of Arbitration dated 6 November 2019 on 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").

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.

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.

#### **4. Documents for Inspection**

Copies of the following documents will be available for inspection at the Registered Office of Encorp at No. 45-1, Jalan PJU 5/21, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, during normal office hours on any working day from the date of this Circular up to and including the date of the AGM: -

- (a) Constitution of Encorp;
- (b) Audited financial statements of Encorp Group for the past two (2) financial years ended 31 December 2020 and 31 December 2021; and
- (c) The relevant cause papers in respect of material litigation as referred to in Section 3 of the Appendix I.

*[THE END]*