2024 HIGHLIGHTS

Corporate

6 January 2024

ENCORP played a key role as the moderator at the FELDA Symposium 2024 – Bumiputra Economic Congress, contributing to discussions on economic empowerment and the future of Bumiputra businesses.

Corporate Social Responsibility

15 January 2024

ENCORP, Strand Mall and Alpha IVF organised a Blood Donation Campaign 2024 resulting in the donation of 128 blood units to the National Blood Centre as an act of promoting health awareness and community welfare.

Corporate Social Responsibility

4 February 2024

ENCORP ushered in the Lunar New Year with 47 children from Trinity Community and Rumah Destiny, spreading festive cheer and fostering a sense of togetherness.

Corporate Social Responsibility

18 February 2024

Demonstrating commitment to sports, ENCORP employees actively participated in the FELDA Wakaf Run, promoting fitness and community engagement.

Corporate Social Responsibility

20 March 2024

In the spirit of Ramadan, ENCORP shared 1,500 servings of Bubur Lambuk with the local community, strengthening bonds through this cherished tradition.

Corporate Social Responsibility

25 March 2024

A heartwarming iftar event was held with 35 children from Pusat Jagaan Telaga Kasih Nur Muhammad, fostering meaningful connections and community spirit while providing essential basic needs through an infaq initiative.

2024 **HIGHLIGHTS**

Corporate Social Responsibility

15 April 2024

ENCORP donates RM2,000 to Sazali P. Ramlee as a tribute to Malaysia's artistic heritage in recognition of P. Ramlee's lasting impact on the entertainment industry.

Corporate

25 April 2024

The first phase of Lamanda Chuping was successfully completed, with 241 units of residential and commercial properties.

Corporate

30 April 2024

ENCORP successfully completed and handed over 59 units of two-storey link homes at Iris, Encorp Cahaya Alam, marking another milestone in quality property development.

Corporate

28 May 2024

Ground Breaking of Balau Residences that signifies ENCORP's dedication to developing sustainable and innovative residential spaces that meet the needs of modern homeowners.

Corporate Social Responsibility

30 May 2024

ENCORP and Dewan Bahasa dan Pustaka launched a new reading corner featuring over 30 books for the National Reading Decade. The event included a memoir talk and a film screening of Azizi Haji Abdullah's novel.

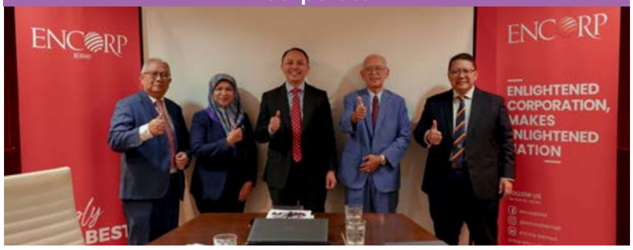
Corporate Social Responsibility

2 June 2024

ENCORP sponsors RM5,000 for the "LEGENDS" Fund-raising dinner in aid of sustaining the legacy of Malaysian artistes.

2024 HIGHLIGHTS

Corporate



26 June 2024

ENCORP's 24th Annual General Meeting.

Corporate Social Responsibility

28 – 30 June 2024

Supporting youth development in sports, ENCORP contributed RM3,000 to the MCKK Premier 7s Rugby Tournament, fostering the next generation of athletes.

Corporate Social Responsibility

28 July 2024

Lamanda Chuping Penalty Kick Tournament brought together 160 football enthusiasts showcasing ENCORP's commitment to community engagement.

Corporate Social Responsibility

2 – 4 August 2024

ENCORP sponsored 3,600 bottles of drinking water to support runners participating in the Pesta Kuantan 188 marathon.

Corporate Social Responsibility

5 August 2024

Encouraging traditional martial arts, ENCORP contributed RM3,000 to Silat SILATRA SKS9KD, empowering young athletes in the field of silat olahraga.

Corporate Social Responsibility

16 – 20 August 2024

ENCORP launched a book donation drive to inspire a love for reading among communities, aligning with its commitment to education.

2024 HIGHLIGHTS

Corporate Social Responsibility

14 September 2024

In celebration of Malaysia's independence, ENCORP partnered with Jabatan Penerangan Kuantan to distribute 1,000 national flags, fostering patriotic spirit.

Corporate Social Responsibility

28 October 2024

Spreading joy during Deepavali, ENCORP distributed festive treats to the local community, embracing the spirit of inclusivity and cultural appreciation.

Corporate Social Responsibility

4 November 2024

Supporting youth empowerment, ENCORP provided meals for participants of "Rakan Ekspresi," a grooming and self-development programme for young individuals.

Corporate Social Responsibility

4 December 2024

ENCORP extended its support to flood victims through sponsorship worth RM5,000 towards the FELDA flood relief mission, aiding those affected by natural disasters.

Corporate Social Responsibility

8 December 2024

ENCORP, in collaboration with MBSA, organised the Klasik Run as part of Shah Alam's Car-Free Day, attracting 2,500 participants, including adults and children, to promote health and sustainability.

ENCORP IN THE NEWS

01 ENCORP's Debut Interaction Series Dives Into Digital Storytelling (Bernama) 16.02.24

02 Encorp's Ethical Drive Towards Sustainable Success (Bernama) 29.2.24

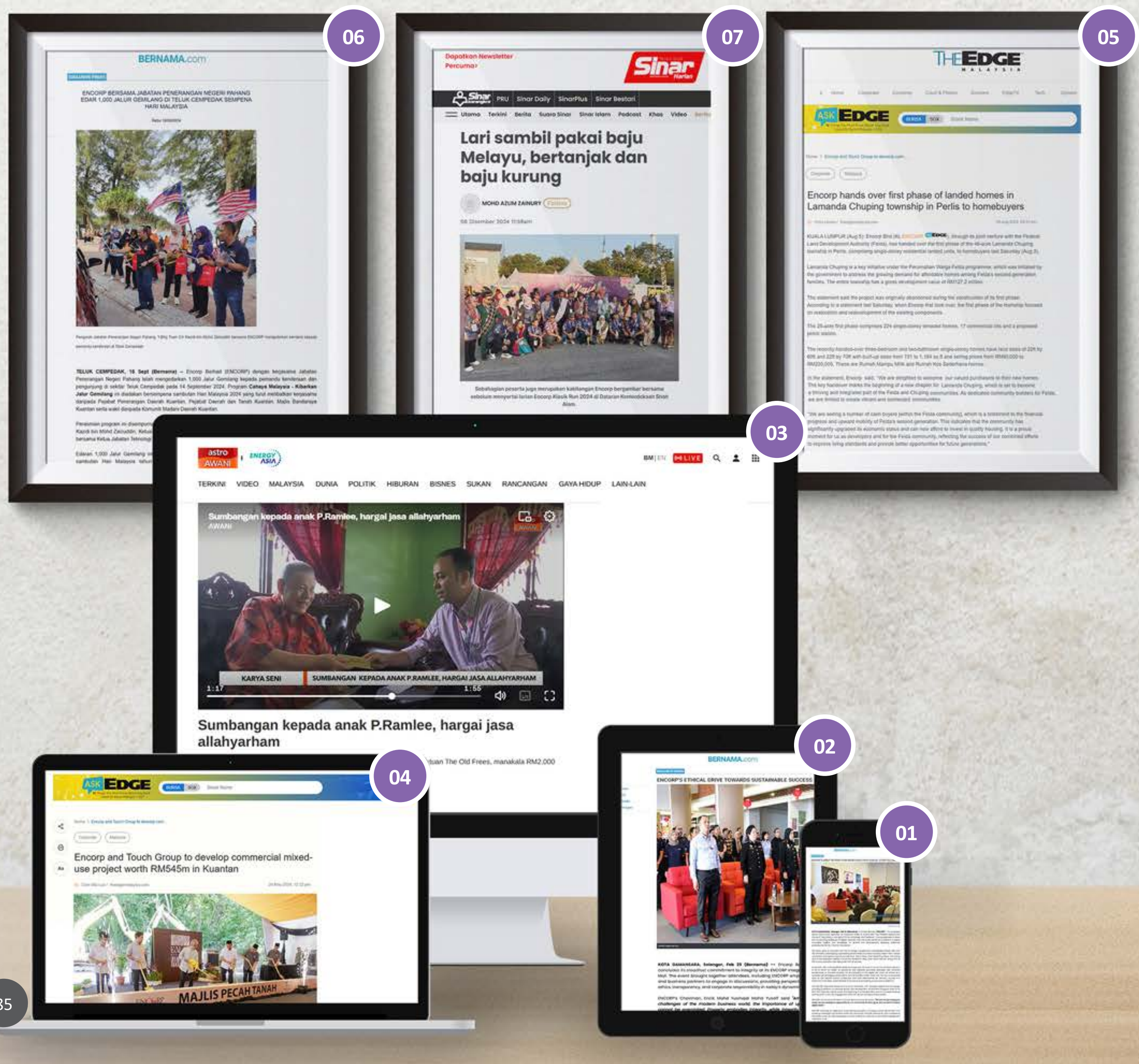
03 Sumbangan kepada anak P.Ramlee, hargai jasa allahyarham (Astro Awani) 16.4.24

04 Encorp and Touch Group to develop commercial mixed-use project worth RM545m in Kuantan (The Edge Malaysia) 28.5.24

05 Encorp hands over first phase of landed homes in Lamanda Chuping township in Perlis to homebuyer (The Edge Malaysia) 5.8.24

06 Encorp bersama Jabatan Penerangan Negeri Pahang edar 1,000 Jalur Gemilang di Teluk Cempedak (Bernama) 18.9.24

07 Lari sambil pakai baju Melayu, bertanjak dan baju kurung (Sinar Harian) 8.12.24



RECOGNITION OF A GROWING ENCORP

Winner of HR Asia:
Best Companies to Work for in Asia Awards 2018, 2019, 2021

Winner of Employer of Choice Award (Silver) Private Sector,
Malaysia International HR Awards 2018

Winner of Best Investor Relations Company,
7th Asian Excellence Recognition Awards 2017

Winner of HR Asia:
Best Companies to Work for in Asia Awards 2017

Winner of Employer of Choice Award (Silver),
Malaysia HR Awards 2017

Winner of Property Development (CSR),
Malaysia Social Media Week Awards 2017

Winner of Property Development,
Selangor Business Excellence Awards 2017

Winner of Jury for Encorp Strand Mall,
Universal Design Award 2016

Finalist of Best Mixed Development for Encorp Strand,
iProperty.com People's Choice Awards 2016

GROUP FINANCIAL HIGHLIGHTS

REVENUE (RM '000)	
FY 2024	**104,013**
FY 2023	129,193
FY 2022	137,494
FY 2021	146,704
FY 2020	134,117

PROFIT/(LOSS) BEFORE TAX (RM '000)	
FY 2024	**6,057**
FY 2023	(1,083)
FY 2022	(7,537)
FY 2021	1,884
FY 2020	1,560

PROFIT/(LOSS) AFTER TAX (RM '000)	
FY 2024	**3,437**
FY 2023	(8,484)
FY 2022	(18,204)
FY 2021	(8,167)
FY 2020	(6,608)

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY (RM '000)	
FY 2024	**1,807**
FY 2023	(9,188)
FY 2022	(20,141)
FY 2021	(10,892)
FY 2020	(3,643)

N1 There is no margin available due to the loss position for that year.

N2 The results are attributable to owners of the parent company.

N3 The net gearing ratio is calculated using the loans and borrowing amount plus trade payables however excluding the Sukuk Murabahah, cash and cash equivalents, fixed deposits and investment securities. The Sukuk Murabahah has been excluded as the Sukuk is secured by the assignment of the contract Concession Payments and the Project Escrow Account and the Sukuk do not have any financial recourse to the Group.

N4 Includes property development cost.

FINANCIAL RATIOS	2024	2023	2022	2021	2020
Profit before tax margin (%)	5.8%	N1	N1	1.3%	1.2%
Basic profit/(loss) per share (sen)	0.57	(2.90)	(6.37)	(3.44)	(1.18)
Closing share price as at end of year (RM)	0.21	0.27	0.22	0.33	0.24
Price-earning ratio (times)	0.37	(0.09)	(0.03)	(0.10)	(0.21)
Return on capital employed (ROCE)	0.08	0.07	0.06	0.07	0.05
Return on equity (ROE) [N2]	0.01	(0.03)	(0.06)	(0.03)	(0.01)
Net gearing ratio (%) [N3]	7%	10%	3%	5%	11%
Net assets per share (RM) [N2]	1.06	1.04	1.06	1.12	1.15
Shares ('000)	316,685	316,685	316,685	316,685	316,685
Weighted average share capital	316,299	316,299	316,299	316,299	308,236

KEY BALANCE SHEET DATA	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment	4,321	4,442	5,523	4,828	5,084
Investment properties	305,490	303,330	291,780	290,290	284,050
Land held for property development	27,311	27,514	26,590	17,034	36,683
Trade and other receivables	391,717	494,955	564,034	650,160	756,225
Inventories [N4]	121,571	113,919	110,234	113,007	144,937
Cash & bank balance and Investment Security	159,215	154,467	175,750	179,301	157,691
Other assets	16,691	18,774	11,390	36,732	11,768
Right-of-use assets	11,394	13,309	15,585	17,597	19,622
Total Assets	**1,037,710**	**1,130,710**	**1,200,886**	**1,308,949**	**1,416,060**
Loans and borrowings	59,342	76,245	71,137	90,244	103,191
Sukuk Murabahah	401,358	494,171	574,107	651,860	721,943
Trade and other payables	115,752	107,129	100,407	90,065	87,863
Other liabilities	19,841	17,763	13,594	15,862	33,590
Lease liabilities	14,947	16,611	18,598	20,074	21,370
Total Liabilities	**611,240**	**711,919**	**777,843**	**868,105**	**967,957**
Total Equity	426,470	418,791	423,043	440,844	448,103
Non-controlling interest	91,441	89,811	89,107	87,095	84,275
Shareholders' equity	335,029	328,980	333,936	353,749	363,828

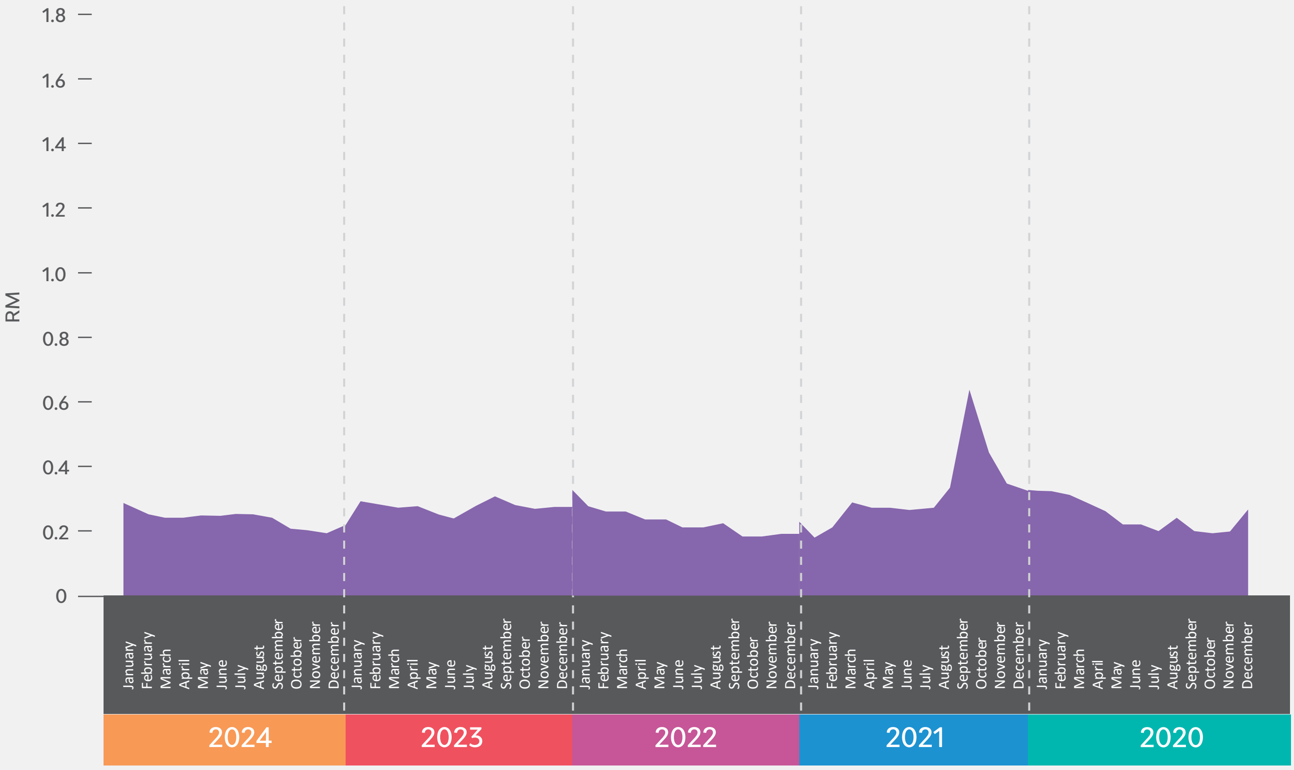
SHARE **PERFORMANCE**

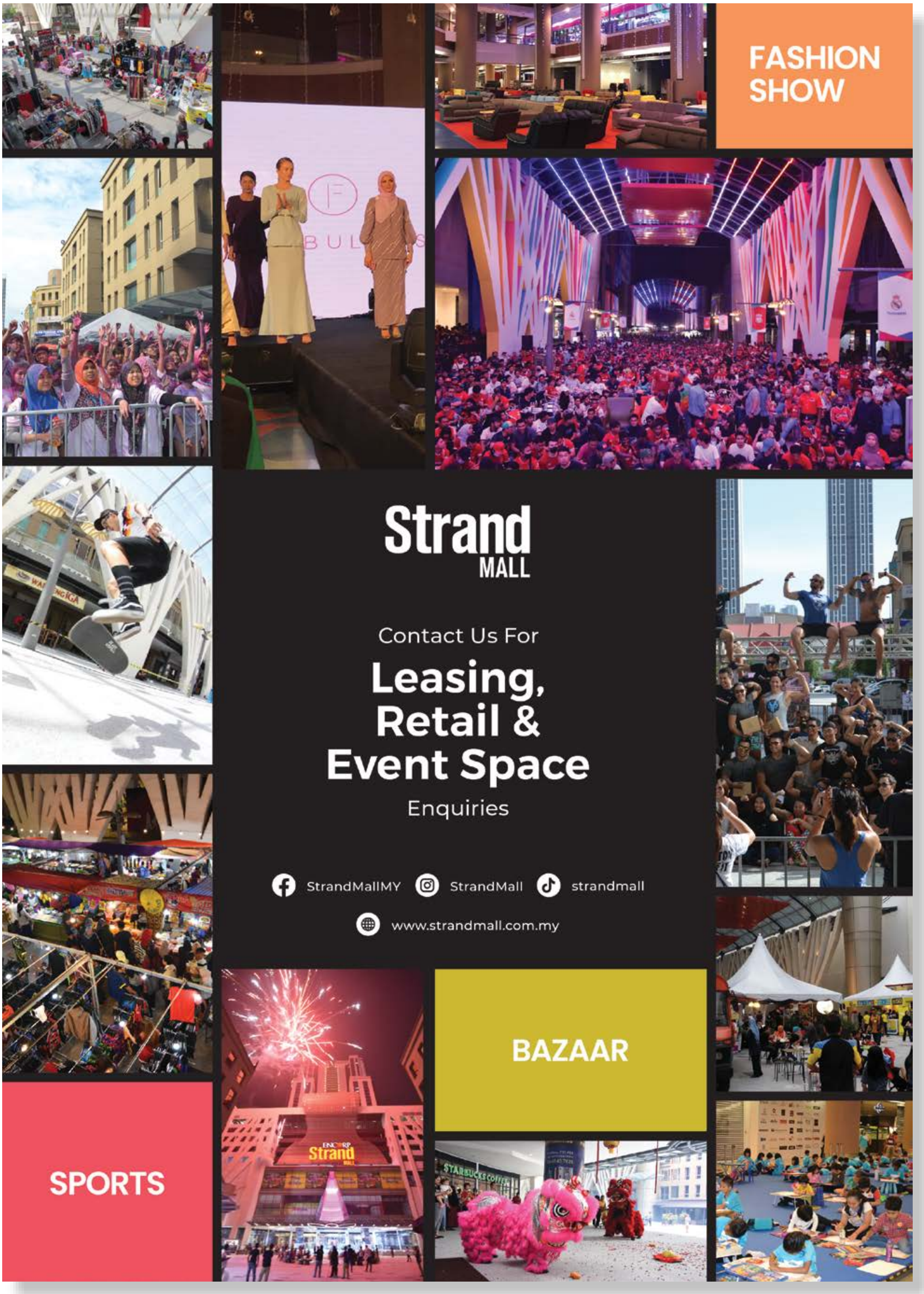
Stock Exchange	Stock Name	Stock Code
Bursa Malaysia Securities Berhad	ENCORP	6076

During the year	2024	2023	2022	2021	2020
Highest (RM)	0.32	0.34	0.375	0.70	0.31
Lowest (RM)	0.19	0.215	0.20	0.18	0.17

SHARE PRICE (BURSA MALAYSIA)

Based on month-end closing price

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") reaffirms its commitment to and supports the best practices of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021" or "the Code") which sets out broad principles, intended outcome and guidance to promote and cultivate a strong culture of good corporate governance for listed companies.

The Board strives to ensure that the highest standards of corporate governance are practiced to protect and enhance shareholders' value.

During the financial year ended 31 December 2024, the Board continued to adhere to the principles and recommendations of the Code. The Board is pleased to report to the shareholders on how the Company has applied each Practice as set out in the Code in the Corporate Governance Overview Statement below, along with certain departures from the Code. For full details in relation to the compliance and/or departure from each Practice set out in the Code during the financial year ended 31 December 2024, please refer to the Corporate Governance Report 2024 on the Company's website at www.encorp.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board's Role and Responsibilities

The Board is charged with leading and managing the Company in an effective and responsible manner and is collectively responsible for meeting the objectives and goals of the Company. Each Director has a legal duty to act in good faith and in the best interest of the Company exercising due care and diligence avoiding conflict of interest wherever possible. Directors are to refrain from making improper use of information, property or opportunity gained through the position of Director or engaging in business which is in competition with the Company. The Directors, collectively and individually, are aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.

In line with the Code, the Board has adopted a Board Charter which primarily sets out the Board's strategic intent and outlines the Board's roles and responsibilities, to ensure that all Board members are aware of their fiduciary duties and responsibilities, legislations and regulations affecting their conduct. The Board Charter aims to promote the highest standards of corporate governance within the Group, so that the interests of the shareholders, customers and other stakeholders are safeguarded. The Board Charter was last reviewed on 17 January 2023.

The Board has approved the adoption of Fit and Proper Policy which is implemented to guide the Board and the Nominating and Remuneration Committee in appointment and re-election of Directors to the Board and the Group. This Policy which was approved by the Board will be reviewed from time to time to remain aligned with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") taking into consideration the changes in the law and regulatory requirements.

The Board had also adopted and implemented a Code of Conduct and Business Ethics to provide guidance and set common ethical standards to promote consistency in behavior across the Group. It includes, amongst others, guidance on health and safety, disclosure of conflict of interest, maintaining confidentiality and gift and business courtesies. The Directors, management and employees are expected to behave ethically and professionally at all times and protect the reputation of the Company. The Group communicates its Code of Conduct and Business Ethics to all Directors, management and employees.

More information on the Board Charter, Fit and Proper Policy and the Code of Conduct and Business Ethics can be found on the Company's website at **www.encorp.com.my**.

The Board has the following principal responsibilities, which facilitate the discharge of the Board's stewardship in the pursuit of the best interest of the Company:

- Setting, reviewing and approving the business plan and overall strategic plan of the Company that supports long term value creation which includes strategies on environmental, economic, social considerations which underpins sustainability for the Company;
- Review, challenge and decide on Management's proposals or the Company and monitor its implementation by Management;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Together with Senior Management, promote good Corporate Governance culture within the Company which reinforces ethical, prudent and professional behavior;
- Identifying principal financial and non-financial risks and ensuring the implementation of appropriate risk management framework to identify, analyse, evaluate, manage and monitor these risks and to set the risk appetite;
- Succession planning, includes appointment, training, fixing compensation of and where appropriate, replacing key management;
- Ensure the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- Developing and implementing an investor relations programme or shareholders' communications policy for the Company and encouraging the use of information technology for effective dissemination of information;
- Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- Ensuring that the Company has appropriate corporate governance structures in place including standards of ethical, prudent and professional behavior and working with Senior Management in promoting a culture of good Corporate Governance and promoting a culture of corporate responsibility.

All the Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

Board Balance

The Board comprises a majority of independent directors where the Chairman is an Independent Non-Executive Director. The current size and composition of the Board are considered adequate to provide an optimum mix of skills and experiences. The Directors, with their diverse professional backgrounds and specialisations, collectively bring considerable knowledge, independent judgements and expertise to the Board. Further, the Chairman also ensures proper balance of power and authority on the Board by encouraging robust discussions during meetings. The Independent Directors also provide an element of objectivity, independent views, evaluations, check and balance on Board deliberations and decisions. This ensures that the interests of the Group, shareholders, employees, customers, suppliers and other business associates are safeguarded.

The Board remains committed to upholding strong corporate governance principles, including the clear distinction of roles and responsibilities between the Chairman and the Group Chief Executive Officer (GCEO) to ensure a balance of power, authority, and accountability within the Group. The Chairman is responsible for the leadership, effectiveness, conduct, and governance of the Board, ensuring that it functions effectively and independently. Meanwhile, the GCEO is entrusted with overseeing the day-to-day management and operations of Encorp Group, within the limits of authority delegated by the Board. The GCEO also serves as a conduit between the Board and Management, ensuring the execution of strategic decisions and operational efficiency in alignment with the Group's business objectives.

Following recent leadership changes and as part of the Company's commitment to ensure and provide operational stability and business continuity, Encik Kamarul Azman Bin Kamarozaman@Amir, who joined the Company as Group Chief Financial Officer (GCFO) on 1 July 2024, was appointed as Officer in Charge for the GCEO role effective 12 August 2024 and subsequently redesignated as the Acting GCEO on 26 March 2025.

In this capacity, he has been entrusted with temporarily overseeing the duties and responsibilities of the GCEO to ensure business continuity and operational stability. As of 2 December 2024, the GCEO position remains vacant, and the Board is actively evaluating the best possible leadership structure to drive the Company's long-term growth and strategic objectives.

To further strengthen the Group's Board governance, the Nominating and Remuneration Committee is given the responsibility to review the roles and responsibilities of the Board and the Board Committees.

Advisory Committee

To further enhance Board strategic oversight, and risk management, the Board has established an Advisory Committee on 30 May 2024 to provide independent insights, expertise, and guidance on key business matters including investment strategies, financial management, project execution, and human resource development. The primary objective of the Advisory Committee is to support the Board in governing and setting the strategic direction of the Group while ensuring effective oversight of major business proposals, risk management and internal controls and corporate initiatives. This includes evaluating investment opportunities, monitoring key projects, and advising on financial performance, capital allocation, and human resource development.

The Advisory Committee comprised of one (1) Independent Non-Executive Chairman and one (1) Non-Independent Non-Executive Director as follows:-

Name	Directorship	No. of Meetings Attended
Mohd Yusmadi Bin Mohd Yusoff (Chairman)	Independent Non-Executive Chairman	9/9
Dato' Dr. Suzana Idayu Wati Binti Osman (Member)	Non-Independent Non-Executive Director	9/9

The Advisory Committee operates strictly within its advisory capacity, ensuring that management, led by the GCEO, retains its executive role in overseeing the Company's day-to-day operations. The Advisory Committee does not assume managerial functions but instead acts as a conduit between the Board and Management, providing independent recommendations while upholding accountability and transparency.

To maintain its independence and effectiveness, the Advisory Committee composition, roles, and reporting structure have been carefully defined to prevent conflicts of interest and ensure compliance with the Bursa Malaysia Listing Requirements, MCCG 2021, and other applicable laws and corporate governance standards. Through the establishment of the Advisory Committee, the Board reinforces its commitment to high standards of corporate governance, strategic decision-making, and sustainable value creation for all stakeholders.

Access to Information

The Directors have timely, full and unrestricted access to all information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties effectively. The Board is expected to meet at least four (4) times for each financial year, with additional meetings to be convened when necessary to discuss and resolve on urgent basis.

Role of Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary that is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretary was registered with the Companies Commission of Malaysia and an affiliate member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretary provides support to the Board in fulfilling its fiduciary duties and leadership role in shaping the Corporate Governance of the Company. In this respect, Company Secretary plays an advisory role to the Board, particularly with regard to the Company's constitution, Board policies and procedures, and its compliance with regulatory requirements, codes, guidance and legislation for the affairs of the Board. The Company Secretary reports directly to the Chairman of the Board.

Company Secretary has attended trainings and seminars conducted by the Companies Commission of Malaysia and Bursa Securities to keep abreast with the relevant updates on statutory and regulatory requirements such as updates on the MMLR of Bursa Securities, compliance with the Capital Markets and Services Act 2007, Companies Act 2016 and to ensure the Company's adherence to the Code. Therefore, the Board are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements.

Board Meetings

To ensure that Directors can plan ahead, Board Meetings are scheduled in advance at the beginning of each year. Special Board Meeting is convened as and when necessary for the Board to deliberate on matters that require expeditious decisions.

During the financial year under review, fourteen (14) Board meetings were held. The summary of attendance of the Board is as follows:

Name of Director	No. of Meetings Attended
Mohd Yusmadi Bin Mohd Yusoff	14/14
Datuk Haji Jaafar Bin Abu Bakar	14/14
Dato' Dr. Suzana Idayu Wati Binti Osman	14/14
Mahadzir Bin Mustafa *(Resigned w.e.f 21/2/2025)*	12/14
Tuan Haji Lukman Bin Abu Bakar	14/14
Nor Azira Binti Abu Bakar *(Appointed w.e.f 27/3/2025)*	0/0

Sustainability

Encorp Group acknowledges the importance of sustainability relating to environmental, social and governance ("ESG") including their risks and opportunities to our Group. The Company is in the process of updating the ESG policy with the objective to priorities health and safety in the Group's business operations.

The Company is committed to communicate the targets and performances of the ESG to all the stakeholders of the Group regardless internally or externally. Detailed information pertaining to the sustainability of the Group can be found in the Sustainability Report of the Annual Report 2024 which is available on Bursa Securities and the Company's website at www.encorp.com.my.

II. Board Composition

The Company is managed and led by Board members from diverse professional backgrounds with relevant experiences and expertise in financial, business, legal, property and other fields.

Practice 5.2 of the Code states that at least half (1/2) of the Board should comprise of Independent Directors. During the financial year ended 31 December 2024, there were five (5) members of the Board, comprising one (1) Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director. The Independent Directors make up the majority of the composition of the Board.

This composition also complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent directors. In the event of any vacancy in the board of directors, resulting in the non-compliance with the subparagraph (1) of Paragraph 15.2, the Company must fill the vacancy within 3 months.

The Board implemented an evaluation process, for assessing the effectiveness and competencies of the Board as a whole. The results of the self-assessment by Directors and the Board's effectiveness as a whole, as compiled by the Company Secretary were tabled to the Board for review and notation. The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills. The Board was also satisfied with the Board composition comprising individuals of high caliber, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.

Board Independence

The Board has developed the criteria to assess the independence of the independent directors on an annual basis. When assessing independence, the Board is encouraged to focus beyond the independent director's background, economic and family relationships and consider whether the independent director can continue to bring independent and objective judgment to Board deliberations.

The Board has undertaken an assessment of the Independent Director as per the criteria defined under the MMLR and other independence criteria applied by the Company which took into account the individual Director's independence of management and free from any business or other relationship which could interfere with the exercise of independent and objective judgment, and his ability to advise the Board on matters relating to transaction where conflict of interest may exist. Based on the assessment done, the Board concluded that each of the Independent Directors continues to demonstrate behaviour that reflect their independence.

Tenure of Independent Directors

The Board is aware of the provision of tenure of Independent Directors in the Board Charter by taking into account the recommendation of the Nominating and Remunerating Committee. The Board Charter specifies that an independent director who has reached the term limit of nine (9) years' tenure will be re-designated as Non-Independent Non-Executive Director, unless he/she has obtained shareholders' approval at the Annual General Meeting ("AGM") to be retained in the Board as Independent Non-Executive Director. If the Board intends to retain the Independent Director after the nineth year, annual shareholders' approval must be sought through a two-tier voting process. However, the Independent Director can only be retained until the twelfth year as restricted by the MMLR. This is to facilitate the Board renewal and hence, enhancing the effectiveness of the Board.

Datuk Haji Jaafar Bin Abu Bakar ("Datuk Haji Jaafar") was re-elected for retention as an Independent Non-Executive Director at the 24th AGM held on 26 June 2024, upon reaching the cumulative term of nine (9) years on 23 July 2024. He shall seek shareholders' approval for further retention at the 25th AGM scheduled for 26 June 2025 to continue in office as an Independent Non-Executive Director beyond nine (9) years.

The Nominating and Remuneration Committee had assessed the independence of Datuk Haji Jaafar of his ability and commitment towards the Company's objective and was of the view that the length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interest of the Company.

However, besides fully the independence criteria set out in the Listing Requirements, Datuk Haji Jaafar voluntarily has expressed his willingness not seeking retention as the Independent Non-Executive Director of the Company at the forthcoming AGM and will therefore retire from his position upon the conclusion of the upcoming AGM.

Appointment of Directors

When appointing a Director, the Nominating and Remuneration Committee and the Board will consider the cultural background, experience, skill, age, gender, competency, knowledge and potential contribution of the candidate, whilst the Practice 5.5 of the Code will also be given due consideration for boardroom diversity. The Nominating and Remuneration Committee considers, evaluates and proposes to the Board any new board appointments, whether of executive or non-executive position. The Nominating and Remuneration Committee recommends suitable candidate for appointment to the Board, the appointment of which will be decided upon by the Board as a whole to ensure a balanced mix of experience and expertise amongst its members. Thereafter, the Board carries out its own assessment based on the recommendations made by the Nominating and Remuneration Committee and determines the appointments to be made.

On the appointment of new Director, the new Director is required to commit sufficient time to attend to the Company's matters before accepting his appointment to the Board. Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. In compliance with Paragraph 15.06(1) of the MMLR, all Directors of Encorp do not hold more than five (5) directorships of listed issuer at any one time.

The Nominating and Remuneration Committee reviewed and recommended the candidate for Non-Independent Non-Executive Director namely Nor Azira Binti Abu Bakar, in replacement of Mahadzir Bin Mustafa who had resigned on 21 February 2025. Nor Azira Binti Abu Bakar was appointed to our Board on 27 March 2025.

` The said appointment was recommended by the Company's major shareholder during candidate selection. The Nominating and Remuneration Committee scrutinised the suitability and qualification of the candidates and recommend the same for the Board's approval. In discharging this duty, the Nominating and Remuneration Committee assessed the suitability of the candidates by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.

Board Diversity

The Board recognises the challenges in achieving the right balance of diversity on the Board. Nevertheless, the Board is committed to provide fair and equal opportunities and nurturing diversity within the Group. The Board has established a Board Diversity Policy which was last reviewed on 30 November 2023 and was renamed as Diversity Policy to ensure that through the Nominating and Remuneration Committee, selection and appointment of new board members and senior management take into account the candidates from a wide variety of background, without discriminating on gender, age, ethnic, marital status and religion but on the required mix of skill, knowledge and professional experience which the new director should bring to the Company.

The Board acknowledges the enhancement under Paragraph 15.02 of the MMLR to appoint at least one woman director on the board by 1 June 2023. Currently, the Board comprises two (2) female directors out of five (5) directors which resulted in 40% of women directors namely Dato' Dr Suzana Idayu Wati Binti Osman and Nor Azira Binti Abu Bakar. The Board recognises that the evolution of Board diversity to have at least 30% women based on Practice 5.9 of the Code is a long-term process and will take the gender diversity into consideration when vacancies arise.

Re-Election and Re-Appointment of Directors

In accordance with the Company's Constitution, one-third (1/3) of the Directors are required to retire from office at each Annual General Meeting ("AGM") and all Directors shall retire at least once in every three (3) years. The retiring Directors shall be eligible for re-election at the AGM. Newly appointed directors during the year must offer themselves to the shareholders for re-election at the next AGM following their appointment.

To assist the shareholders in their decision, sufficient information such as personal profiles of the Directors standing for re-election can be found in this Annual Report.

Directors' Training

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. Bursa Malaysia Securities has introduced a new mandatory sustainability training for Directors (MAP II) in June 2023. As at the date of this Annual Report, 4 out of the 5 Directors registered for the MAP II scheduled throughout year 2024.

The Directors constantly participate in training programmes, seminars and conferences to keep themselves abreast with changes and new developments, both in the legal and commercial aspects.

During the financial year ended 31 December 2024, the Directors have attended the following training programmes/seminars/workshops/talks:

Name of Director	Training and Seminars attended
Mohd Yusmadi Bin Mohd Yusoff	1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad. 3. Chairman Roundtable & Networking Session: How Responsible Are You in Strategic Risk Management by Institute of Corporate Directors Malaysia (ICDM).

Name of Director	Training and Seminars attended
Datuk Haji Jaafar Bin Abu Bakar	1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad.
Mahadzir Bin Mustafa *(Resigned w.e.f 21/2/2025)*	1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad.
Tuan Haji Lukman Bin Abu Bakar	1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad.
Dato' Dr. Suzana Idayu Wati Binti Osman	1. Sustainability session for FGV Board and Management (FGV Group sustainability division). 2. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 3. Affin Bank Market Outlook 2024: Propelling Malaysia Forward (Affin Bank Group). 4. 35th Palm and Lauric Oil Price Outlook Conference & Exhibition (Bursa Malaysia Derivatives Berhad). 5. The 21st Century Corporate Board – Your complete Roadmap to Modern Governance Practices (Kexxel Group). 6. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad. 7. Dinner Talk by Prof. Richard Vietor "The World Economy" (Harvard Business School Alumni Club of Malaysia). 8. Cyber Security Awareness Talk (Private Pension Administration Malaysia). 9. Khazanah Megatrends Forum 2024 (Khazanah National Berhad). 10. FGV Board of Directors Strategic Retreat Roundtable Discussions – Proposed Business Plan and Budget FYE2025-2027 (FGV Group Strategy Division). 11. Forum Ekonomi Malaysia 2025 (Kementerian Ekonomi). 12. Plantation Division Managers' Seminar 2025 (FGV Plantation Division).

III. Remuneration

Board Remuneration

The Nominating and Remuneration Committee recommends the remuneration package for the Executive Director/ GCEO to the Board for approval. The Executive Director abstains from deliberation and voting on decisions in respect of his own remuneration.

The Nominating and Remuneration Committee comprised of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:-

Name	Designation	Directorship
Tuan Haji Lukman Bin Abu Bakar	Chairman	Independent Non-Executive Director
Datuk Haji Jaafar Bin Abu Bakar	Member	Independent Non-Executive Director
Dato' Dr. Suzana Idayu Wati Binti Osman	Member	Non-Independent Non-Executive Director

The Nominating and Remuneration Committee assists the Board in fulfilling the following functions:

(i) New appointments, re-election and re-appointment

- to establish clear and appropriate criteria on the selection and recruitment of the Board;
- to consider and recommend to the Board candidates for directorship based on a variety of sources including existing Board members, management, major shareholders and/or independent sources, taking into consideration the candidates' skills, knowledge, expertise, experience, time, commitment, character, professionalism, independence and integrity that fit the Company's objectives and strategic goals;
- to recommend to the Board candidates to fill the seats on Board as Directors or Board Committees having regard to their ability to discharge the responsibilities/functions as required under the MMLR of Bursa Malaysia Securities Berhad;
- to evaluate the balance of skills, knowledge, experience and diversity (including gender diversity), age, cultural background on the Board and senior management;
- to evaluate and recommend to the Board on the re-election and re-appointment of the directors who are subject to retirement at annual general meeting;
- to evaluate and recommend to the Board the appointment, promotion and termination of the executive director, chief executive officer and senior management; and
- to ensure each of the Director, chief executive officer or key senior management has the character, experience, integrity, competence and time to effectively discharge his role as Director, chief executive officer or key senior management as required under Paragraph 2.20A of the MMLR before appointment and fulfills the requirements under Section 198 of Companies Act, 2016 and Paragraph 15.05 of the MMLR.

(ii) Evaluation

- to establish clear and appropriate criteria on annual assessment of the Board;
- to assess annually the effectiveness and competencies of the Board as a whole, the Board Committees and the contribution of each individual director; and
- to assess annually the independence of the independent directors.

(iii) Succession planning and training

- to establish appropriate plans for succession at Board level and senior management level; and
- to review the training needs of the Board.

(iv) Remuneration

- to establish formal and transparent remuneration policies and procedures to attract and retain Board members and senior management of the Company and its subsidiaries ("the Group");
- to review and recommend to the Board the remuneration package for executive director, chief executive officer and senior management;
- to review with chief executive officer and executive directors, their goals and objectives and to assess their performance against these objectives as well as contribution to the Company's short-term and long-term corporate strategy; and
- to review and recommend to the Board the annual increments and bonuses of executive directors and senior management team.

(v) Additional duties and responsibilities

- to carry out such other responsibilities, functions or assignments as may be defined jointly by the Nominating and Remuneration and the Board from time to time; and
- to carry out such other responsibilities as guided by MMLR and the Code.

The terms of reference of the Nominating and Remuneration Committee is provided in the Company's website at www.encorp.com.my.

The Nominating and Remuneration Committee deliberated on the following matters in 2024:

- Annual Board assessment on the effectiveness and competencies of the Board as a whole, Board Committees and individual directors;
- Evaluation of the independence of each Independent Director on an annual basis;
- Identification of appropriate training and education programmes with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contributions to the Board and Group;
- Recommendation to the Board the proposed Directors' Fees, Directors Benefits and Allowances for shareholders' approval at Annual General Meeting;
- Recommendation to the Board the proposed re-election and retention of Directors' for shareholders' approval at Annual General Meeting;
- Appointment of Group Chief Financial Officer; and
- Proposed New Corporate Structure.

Policies and Procedures

The Executive Director/GCEO/GCFO is not entitled to annual Directors' fees nor entitled to receive any meeting allowances for the Board and Board Committee meetings that he attends.

Non-Executive Directors are paid yearly fees that are determined by the Board and approved at the AGM. Attendance allowances are also paid to the Non-Executive Directors for each Board or committee meeting they attend.

The Directors' Remuneration Policy was adopted by the Board which was last reviewed and renamed to Remuneration Policy on 30 November 2023 aims to attract, develop and retain high performing and motivated Directors with a competitive remuneration package.

The remuneration of Directors for the financial year ended 31 December 2024 are as follows:

Group	Fees (RM'000)	Salaries / Allowance & Other Emoluments (RM'000)	Defined contribution plan (RM'000)
Mohd Yusmadi Bin Mohd Yusoff	203	30	-
Datuk Haji Jaafar Bin Abu Bakar	164	33	-
Dato' Dr. Suzana Idayu Wati Binti Osman	112	27	-
Mahadzir Bin Mustafa *(Resigned w.e.f 21/2/2025)*	116	23	-
Tuan Haji Lukman Bin Abu Bakar	164	34	-
Nor Azira Binti Abu Bakar *(Appointed w.e.f 27/3/2025)*	-	-	-
Total	759	147	-

Company	Fees (RM'000)	Salaries / Allowance & Other Emoluments (RM'000)	Defined contribution plan (RM'000)
Mohd Yusmadi Bin Mohd Yusoff	167	27	-
Datuk Haji Jaafar Bin Abu Bakar	144	31	-
Dato' Dr. Suzana Idayu Wati Binti Osman	112	27	-
Mahadzir Bin Mustafa *(Resigned w.e.f 21/2/2025)*	96	21	-
Tuan Haji Lukman Bin Abu Bakar	144	32	-
Nor Azira Binti Abu Bakar *(Appointed w.e.f 27/3/2025)*	-	-	-
Total	663	138	-

Senior Management Remuneration

Practice 8.2 of the Code states that the Company should disclose on a named basis the top (5) Senior Management's remuneration component including salary, bonus, benefits in kind and other emoluments in bands of RM50,000. The Board is of the view that such disclosure will give rise to recruitment and talent retention issues. The remuneration for the top five (5) Senior Management for the financial year ended 31 December 2024, ranged as follows:

Remuneration range (RM)	No. of Senior Management
200,001 – 250,000	0
250,001 – 300,000	1
300,001 – 350,000	1
350,001 – 400,000	1
400,001 – 450,000	1
450,001 – 500,000	1
500,001 – 550,000	0
550,001 – 600,000	0
600,001 – 650,000	0
650,001 – 700,000	0
700,001 – 750,000	1
750,001 – 800,000	0

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee is made up of three (3) members comprising of two (2) Independent Non-Executive Directors and one (1) Non-Independent Director appointed by the Board and it has written terms of reference clearly setting out its authority and duties.

The terms of reference and Report of the Audit, Risk and Governance Committee are also provided in this Annual Report and website at www.encorp.com.my.

The Audit, Risk and Governance Committee assists the Board in fulfilling its oversight responsibilities, primarily reviewing the quarterly and annual financial statements of the Group prior to their submission to the Board for approval, focusing particularly on accounting policies and compliance; reviewing the scope of external audit and audit process; and reviewing the Group's system of internal control and risk management.

The Audit, Risk and Governance Committee currently comprises the following members:

Name	Designation	Directorship
Datuk Haji Jaafar Bin Abu Bakar	Chairman	Independent Non-Executive Director
Mahadzir Bin Mustafa *(Resigned w.e.f 21/2/2025)*	Member	Non-Independent Non-Executive Director
Tuan Haji Lukman Bin Abu Bakar	Member	Independent Non-Executive Director
Nor Azira Binti Abu Bakar *(Appointed w.e.f 27/3/2025)*	Member	Non-Independent Non-Executive Director

More information on the Audit, Risk and Governance Committee and its activities for year 2024 is also available in this Annual Report.

Relationship with External Auditors

Through the Audit, Risk and Governance Committee, the Group has established a transparent relationship with the external auditors in seeking professional advice and ensuring compliance with the laws and regulations. The external auditors were invited to attend the Audit, Risk and Governance Committee Meeting to give their views on the state of affairs of the Company, where necessary. The external auditors also highlight to the Board any material deficiency pertaining to the system of internal control and compliance issues of the Group.

The Company has established an External Auditors Policy to assess and monitor the external auditors. The Audit, Risk and Governance Committee have reviewed and recommended to the Board to update its External Auditors Policy by inserting annual assessment to observe the auditors performance yearly. The External Auditors Policy was last reviewed on 30 August 2023 to reflect the update accordingly.

The Audit, Risk and Governance Committee has assessed the independence of Ernst & Young PLT and was satisfied with their competency and independence. The Audit, Risk and Governance Committee has therefore recommended the re-appointment of Ernst & Young PLT as auditors to the Board, upon which shareholders' approval will be sought at the forthcoming AGM.

II. Risk Management and Internal Control Framework

Risk Management Committee

The Risk Management Committee comprises the Heads of Departments and Group's senior management. The Risk Management Committee reports to the Audit, Risk and Governance Committee on a quarterly basis. The Audit, Risk and Governance Committee assists the Board in providing oversight over the Group's management of risk and reviews the adequacy of compliance and control throughout the Group.

Internal Control

The Board of Directors recognises the pivotal role of a strong internal control system in keeping the Group on course towards its goal of maximising shareholders' value. To this extent, the need for a strong internal control environment has been ingrained into the culture of the Group by the Board and Management.

The effectiveness of the Group's system of internal control is reviewed periodically by the Audit, Risk and Governance Committee. The Group's Statement on Risk Management & Internal Control is set out in this Annual Report.

Whistle Blowing Policy

As part of its commitment to uphold the highest standards of ethics, integrity and accountability, the Group has formalised a Whistle Blowing Policy. This is essentially a mechanism to enable the employees to disclose internally any serious malpractice or misconduct without fear of reprisal. This policy provides a safe and acceptable platform for employees to channel their concerns about illegal, unethical or improper business conduct affecting the Group.

The complainant should report immediately if they have a reasonable belief that a wrongdoing has been, is being or it believed to have committed. The complainant is encouraged to make a report via the following methods:

- Meet or contact any Risk, Governance & Integrity Department staff to make a report; and
- In writing and delivered either by hand, mail to the Chairman of Audit, Risk and Governance Committee.

The Board and the Management give their assurance that the whistle-blower identities are kept confidential and the whistle-blower will not be at risk to any detrimental action as a result of raising a concern with good faith. The Company, however, does not extend this assurance to someone who maliciously raises a matter which is untrue. If an investigation is necessary, the investigation team shall have full access to people, documentation and evidences as required and necessary to carry out the investigation in accordance to the authority assigned by the Board.

The Whistle-Blowing Policy is provided on the Company's website at www.encorp.com.my.

Anti-Bribery and Corruption Guideline ("ABAC Guideline")

The Board had also adopted the Anti-Bribery and Corruption Guideline to ensure that it has adequate procedures in place to prevent persons associated with the Group from undertaking corrupt conduct in relation to the business activities.

The ABAC Guideline is provided on the Company's website at www.encorp.com.my.

Internal Audit Function

The Audit, Risk and Governance Committee is supported by an in-house Internal Audit function in the discharge of its duties and responsibilities. The Internal Audit Unit which is under the Risk, Governance & Integrity Department undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as appropriateness and effectiveness of the corporate governance practices based on procedures approved by the respective Audit, Risk and Governance Committees.

Further details of Internal Audit are also available in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Company adheres strictly to the disclosure requirements under the MMLR of Bursa Securities. The financial results of the Company are announced quarterly to Bursa Securities via Bursa Link. Material transactions and events are also announced accordingly.

The Company recognises the importance of effective communication with shareholders, investors and the public in general. In this respect, the Company keeps shareholders, investors and the public informed through announcements, release of quarterly financial results, annual reports, circulars and general meetings. In line with the practices under the Code, a Stakeholders' Communication Policy was implemented to handle the process of handling queries from its stakeholders.

The Company maintains regular and effective communication with its shareholders and stakeholders by attending to shareholders' and investors' e-mails and phone calls enquiries, Company general meetings and other Company events. The Notice for the Company's Annual General Meetings provides information to the shareholders regarding the details of the AGM, their entitlement to attend the AGM, their rights to appoint a proxy and information as to who may count as a proxy.

The Company's website has a dedicated section that provides all relevant information on the Company which is accessible to the public. While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Company is mindful of the legal and regulatory framework governing the release of material information.

Corporate Disclosure Policy

The Board has formalised a Corporate Disclosure Policy ("CDP") which aims to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by the investors and stakeholders. The CDP sets out the policies and procedures for disclosure of material information of the Group. The CDP is applicable to all Directors and employees of the Group.

II. Conduct of General Meetings

The AGMs serve as the principal avenue for shareholders to engage the Board and Management in a constructive two-way dialogue. Shareholders are encouraged to actively participate during the AGMs by raising questions and providing feedbacks to the Board and Management Team.

Encorp had successfully convened its Twenty Forth Annual General Meeting conducted on a virtual basis through live streaming from the broadcast venue at the Group's premises. All members participated the AGM online and voted electronically using the Securities Services e-Portal. Meanwhile, shareholders and proxies of the Company were also able to submit their questions electronically via the virtual event platform during the AGM.

Proper notices of AGM or any general meeting are at all times dispatched to the shareholders at least 21 days prior to the meetings, unless otherwise required by law, in order to provide sufficient time for shareholders to understand and evaluate the subject matter. Notwithstanding that, the Code strongly advised that the notice of AGM should be given to the shareholders at least 28 days prior to the meeting. The Notice convening the 2024 AGM was issued to shareholders on 17 April 2024, which was more than 28 days prior to the AGM date. Each item of special business included in the notice of the meeting is accompanied by a full explanatory statement for the proposed resolution to facilitate better understanding and evaluation of issues involved.

During the AGM, the Board encourages participation from shareholders by having question-and-answer (Q&A) session during the AGM (inclusive of the Chairman of the Board, Audit, Risk and Governance Committee and Nominating and Remuneration Committee) were available to provide meaningful responses to queries raised. Shareholders had direct access to the Board during the AGM proceedings and to participate in the question-and-answer session on the resolutions being proposed or on the Group's operations in general. Shareholders who are unable to participate in the virtual AGM are allowed to appoint proxies to participate and vote on their behalf in accordance with the Company's Constitution. The Board members in attendance and the external auditors, if so required, will endeavor to respond to shareholders' questions during the meeting. All questions posed by shareholders during the AGM were well attended by the Board and/or the Management.

Lastly, the AGM minutes and summary of Q&A dialogues had been published on our corporate websites for public viewing following the conclusion of the 24th AGM. The minutes of the AGM was made available to shareholders within 30 business days after the 24th AGM of the Company's website at **www.encorp.com.my**.

Future Priorities

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised would be those principles which have not adopted by the Company as disclosed in the Corporate Governance Report 2024.

This Corporate Governance Overview Statement was approved by the Board of Directors on 28 March 2025.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Audit and Non-Audit Fees

During the financial year under review, the fees paid / payable to the external auditors, Ernst & Young PLT and its affiliated companies in relation to the audit and non-audit services rendered to Encorp Berhad and its subsidiaries are as follows:

	Group (RM)	Company (RM)
Statutory audit services provided by Ernst & Young PLT	281,000	85,000
Non-audit services provided by Ernst & Young PLT	22,000	10,000
Total	303,000	95,000

Material Contracts

There were no material contracts entered into by the Group involving Directors' and major shareholders' interests which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

Recurrent Related Party Transactions

The Company was given shareholders' mandate to enter into recurrent related party transactions for the sale of properties in the ordinary course of business with related parties ("Recurrent Transactions") at the 24th Annual General Meeting held on 26 June 2024.

There were no Recurrent Transactions conducted during the financial year ended 31 December 2024.

Utilisation of Proceeds

During the financial year ended 31 December 2024, there were no proceeds raised by the Company from corporate proposals.

AUDIT, RISK AND GOVERNANCE COMMITTEE REPORT

The Board of Directors is pleased to present the report on the Audit, Risk and Governance Committee ("ARGC") for the financial year ended 31 December 2024.

MEMBERSHIP AND MEETINGS OF THE ARGC

During the financial year ended 31 December 2024, the ARGC convened seven (7) meetings which were attended by the members as tabulated below:-

Name of members	Directorship	No. of Meetings Attended
Datuk Haji Jaafar Bin Abu Bakar	Chairman, Independent Non-Executive Director	7/7
Tuan Haji Lukman Bin Abu Bakar	Independent Non-Executive Director	7/7
Mahadzir Bin Mustafa *(Resigned w.e.f 21/2/2025)*	Non-Independent Non-Executive Director	7/7
Nor Azira Binti Abu Bakar *(Appointed w.e.f 27/3/2025)*	Non-Independent Non-Executive Director	-

The Chief Executive Officer, Chief Financial Officer, Head of Finance, the Head of Risk & Governance Management and the representatives from the external auditors and internal auditors and/or advisor also attended the meetings at the invitation of the ARGC. The Company Secretary acts as the secretary of the ARGC.

TERMS OF REFERENCE OF ARGC

Objective

The objective of the ARGC is to assist the Board in discharging its responsibility relating to the Group's financial reporting, as well as, to assist the Board in fulfilling its fiduciary duties in relation to governance, ethics and risk management.

Composition

The Board shall appoint the ARGC members from amongst themselves, comprising no fewer than three (3) non-executive directors. The majority of the ARGC members shall be independent directors.

The Board adopts the definition of "independent director" as defined under the Main Market Listing Requirements ("Main Market LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

All members of the ARGC shall be financially literate and at least one (1) member of the ARGC must be:

(a) a member of the Malaysian Institute of Accountants ("MIA"); or

(b) if he is not a member of MIA, he must have at least three (3) years of working experience; and

- he must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
- he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

(c) fulfils such other requirements as prescribed or approved by Bursa Securities.

No alternate director of the Board shall be appointed as a member of the ARGC. Any former key audit engagement partner of the external auditors of the Company must first observe a cooling-off period of at least three (3) years before he/she is eligible for appointment as a member of the ARGC.

If a member of the ARGC resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated above, the Board shall fill the vacancy within three (3) months.

Chairman

The members of the ARGC shall elect a Chairman from amongst their number who shall not be the Chairman of the Board and who is an independent director.

In the absence of the Chairman, the other members shall amongst themselves elect a Chairman who must be an independent director to chair the meeting.

Secretary

The Company Secretary shall be the Secretary of the ARGC and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

Meetings

The ARGC shall meet regularly and hold at least four (4) meetings in a year, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities.

In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion. ARGC meetings may be held at two (2) or more venues within or outside Malaysia using any technology that enables the members as a whole to participate for the entire duration of the meeting.

Upon the request of the external auditors, the Chairman of the ARGC shall convene a meeting of the ARGC to consider any matter the external auditors believe should be brought to the attention of the Directors or Shareholders.

The Chairman of the ARGC shall engage on a continuous basis with senior management, such as the chief executive officer, chief operating officer, the head of finance, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The chief executive officer, chief operating officer, the head of finance, a representative of the internal auditors and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the ARGC.

The ARGC shall be able to convene meetings with the external auditors without the presence of other directors and employees at least once a year.

Questions arising at any meeting of the ARGC shall be decided by a majority of votes of the members present.

A member of the ARGC shall abstain from discussion or deliberation and voting on matters which give rise to an actual or perceived conflict of interest for him.

Resolution in Writing

A resolution in writing, signed by all the members of the ARGC for the time being entitled to receive notice of a meeting of the Audit, Risk and Governance, shall be as valid and effectual as if it had been passed at a meeting of the ARGC duly convened and held.

Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the ARGC and also to the other members of the Board. The Chairman of the ARGC shall report on each meeting to the Board.

The minutes of the ARGC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Quorum

In order to form a quorum for the ARGC meeting, the majority of members present must be independent directors.

Authority

The ARGC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:-

(a) have explicit authority to investigate any matter within its terms of reference;

(b) have full and unlimited/unrestricted access to all information and documents/resources required to perform its duties;

(c) obtain independent professional or other advice; and

(d) have direct communication channels with the external auditors and persons carrying out the internal audit function or activity.

Where the ARGC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market LR of Bursa Securities, the ARGC shall promptly report such matter to Bursa Securities.

Duties

The duties of the ARGC shall be:-

(a) oversee all matters relating to external audit

- to discuss with the external auditors where necessary, the nature and scope of the audit and ensure co-ordination of audits where more than one audit firm is involved;
- to discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss (In the absence of management, where necessary);
- to review with the external auditors, their management letter and management's response, the external auditors' report and the audited financial statements before the same are presented to the Board for approval;
- to review with the external auditors, their evaluation of the systems of internal control and risk management framework of the Group;
- to consider the appointment of external auditors taking into consideration, amongst others, the suitability, independence, experience, resource and objectivity as well as the appropriateness of their audit fees as recommended by the management;
- to assess the suitability and independence of external auditors in respect of the provision of audit and non-audit services to the Group and the Company in accordance with the terms of all relevant professional and regulatory requirements;
- to annually assess the performance of the external auditors and report to the Board on the independence of the external auditors and obtaining their assurance on the continued registration with Audit Oversight Board;
- to consider any letter of resignation of external auditors and any questions of resignation and dismissal;
- to review the level of assistance given by the employees of the Group to the external auditors; and
- to undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

(b) oversee all matters relating to internal audit

- to review and ensure that the Company and Group maintains a sound and effective system of internal controls and risk management framework;
- to review the adequacy of the scope, functions, competency, experience and resources of the internal audit function;
- to ensure the internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits;
- to review and approve the internal audit plan and internal audit annual budget;
- to ensure co-ordination of external audit with internal audit;
- to review major findings of internal audit reviews and management's response and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- to review any assessment of the performance of the member of the internal audit function;
- to approve any appointment or termination of senior staff members of the internal audit function; and
- to keep itself informed of resignations of internal audit staff members and provide resigning staff member an opportunity to submit his/ her reasons for resigning.

(c) review of financial statements

To review the quarterly and year end financial statements of the Group before submission to the Board, focusing particularly on:

- any changes in accounting policies and practices;
- significant audit issues and adjustments arising from audit;
- going concern assumption;
- compliance with the applicable approved accounting standards and regulatory requirements; and
- compliance with the Main Market LR of Bursa Securities and other legal requirements.

(d) review of systems of internal control and risk management

- to review the reports of respective risk management teams in relation to the adequacy and integrity of the Group's internal control systems in mitigating risks;
- to review and recommend the risk management policy, procedures and risk management framework to the Board;
- to review the effectiveness of the risk management framework and to ensure that the framework adopted is based on an internationally recognised risk management framework that is able to identify, assess, manage and monitor significant financial and non-financial risks in a regular and timely manner;
- to provide guidance on the overall risk strategy for implementation and ensure that the principles and requirements of managing risk are consistently adopted throughout the Group;
- to communicate to the Board the critical risks (present & potential) the Group faces, their profile change (if any) and the management action plans to manage these risks; and
- to conduct annual review and periodic testing of the Group's internal control and risk management framework.

(e) governance responsibilities

- to review the Group's governance framework as guided by the Malaysian Code of Corporate Governance and other best practices in corporate governance;
- to review the Group's policies to support the implementation of the Group's governance framework; and
- to review and monitor the Group's policies and practices in compliance with legal and regulatory requirements.

(f) additional duties and responsibilities

- to review any related party transactions and conflict of interest situation that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- to verify the allocation of Employees' Share Option Scheme ("ESOS") and Employees' Share Grant Scheme ("ESGS") in compliance with the criteria as stipulated in the by-laws of the ESOS and ESGS of the Company, if any; and
- to carry out such other responsibilities, functions or assignments as may be defined jointly by the ARGC and the Board from time to time.

Review of Committee

The Nominating and Remuneration Committee shall review the term of office and performance of the ARGC and each of its members at least once a year to determine whether the ARGC and its members have carried out their duties in accordance with the Terms of Reference and thereafter make its recommendations to the Board for consideration.

The ARGC shall review its Terms of Reference periodically and recommend any changes it considers necessary.

TRAINING

The ARGC members have attended the following training, seminars and conferences during the year to acquire relevant knowledge that enables them to discharge their duties effectively:

1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd.
2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP).

SUMMARY OF ACTIVITIES OF THE ARGC DURING 2024

In accordance with its Terms of Reference, the following activities were undertaken during the year by the ARGC:

- Reviewed the quarterly unaudited financial statements of the Company and the Group for the financial quarters ended 31 December 2023, 31 March 2024, 30 June 2024 and 30 September 2024 with Management prior to the Board's deliberation and approval for their release to the Bursa Securities. The review focused particularly on:-
  - Any change in or implementation of accounting policies and practices;
  - Significant adjustments arising from the audit, if any;
  - The going concern assumption;
  - Significant and unusual events; and
  - Compliance with accounting standards and other legal requirements.
- Reviewed the draft audited annual financial statements for the financial year ended 31 December 2023 with Management and the external auditors before recommending it to the Board for approval and release to the Bursa Securities.
- Reviewed and discussed Management Accounts with Management.
- Reviewed and deliberated on the Enterprise Risk Management (ERM) report which was updated on quarterly basis by the Risk Management Department.
- Reviewed and discussed the audit report, the extent of assistance rendered by Management, issues and reservations arising from statutory audit with the external auditors.
- Assessed the performance of the external auditors, including their suitability and independence and recommended the same to the Board for re-appointment.
- Met with the external auditors two (2) times without the presence of the Executive Board members and Management and no major issues were highlighted.
- Reviewed the internal audit activities carried out by the Internal Auditors and deliberated on significant audit findings identified, audit recommendations made and management's action plans to ensure that the risks issues were adequately addressed.
- Reviewed and recommended the Corporate Governance Overview Statement, Corporate Governance Report, ARGC Report and Statement on Risk Management & Internal Control and Statement of Sustainability to the Board for approval.
- Reviewed with the external auditor, the audit plan inclusive of areas of audit emphasis, audit fees, and scope for the year as well as the audit procedures to be followed prior to commencement of annual audit for 2024;
- Reviewed related party transactions entered into by the Group.
- Reviewed and recommended to the Board the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.
- Discussed the implication of any development or latest changes and pronouncements issued by the statutory and regulatory bodies on the Group.
- Reviewed and recommended the Company Corporate Strategy Blueprint, Business Plan and Budget 2025.
- Updated the Board on the issues and concerns discussed during their meetings and made the necessary recommendations to the Board.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE YEAR

The Company's internal audit function is carried out in-house by the internal audit unit to assess the adequacy, effectiveness and integrity of the Group's system of risk management and internal controls. They act independently and with due professional care and report directly to the ARGC. Nonetheless, the Company also still collaborates with an independent professional firm, Moore Stephens Associates PLT for assistance in certain specialised tasks.

The internal audit provides risk-based and objective assurance on the adequacy and effectiveness of the risk management, internal control and governance processes.

During the financial year ended 31 December 2024, the major activities carried out by the Internal Audit Unit of the Company and independent professional service provider were as follows:

- Performed risk-based internal audits on a quarterly basis as specified in the approved annual audit plan;
- Issued quarterly internal audit reports to the ARGC detailing audit issues and recommendations for corrective actions to be adopted by Management, to overcome the deficiencies or to enhance controls. The identified **key internal audit areas** performed in 2024 are the following:
    - Special Review (SR) – Internal Control Review (ICR) on Tenancy Agreement, Trade Receivables conducted by Internal Audit Unit;
    - Special Review (SR) – Internal Control Review (ICR) on Strand Mall Enhancement Project conducted by Internal Audit Unit;
    - Sales and Marketing Review conducted by outsourced IA service provider, Moore Stephens Associates PLT.
- Report status of action plans arising from internal audit issues highlighted to ARGC; and
- Conducted follow-up on selected areas upon ARGC's request.

The costs incurred for the internal audit function for the financial year ended 31 December 2024 amounted to RM28,500.00.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

This Statement of Risk Management and Internal Controls ("Statement") has been prepared in line with the paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements ("MMLR") and Principle B, Chapter II, Intended Outcome 10.0, Practices 10.1 and 10.2 and Guidance 10.1 and 10.2 as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") respectively, with guidance from the Bursa Malaysia's 'Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers'. It outlines the key features of the Encorp Berhad's risk management and internal control framework and system during the year under review. The Board of Directors ("the Board") is committed to nurture and maintain a sound risk management framework and systems of internal control as well as good corporate governance throughout Encorp Berhad ("ENCORP" or the "Company") and its subsidiaries ("the Group").

The scope of this disclosure excludes associated companies and joint ventures that are not under the control of the Group.

RESPONSIBILITY AND ACCOUNTABILITY

AT BOARD LEVEL

The Board

The Board in discharging its responsibilities, is fully committed to implementing an effective risk management and internal control system to safeguard shareholders' interests and the Group's assets, in addition to setting the tone at the top and a culture towards effective risk management and internal control by keeping abreast with developments in areas of risk and governance. The Board ensures the adequacy, effectiveness and integrity of the internal control systems through regular reviews, accompanied by ongoing risk management process. The Board performs quarterly reviews to assess the adequacy and effectiveness of the risk management and internal control system.

The system of risk management and internal control are specifically designed to manage but may not totally eliminate the risk of failure to achieve Group's overall business objectives and strategies. However, due to inherent limitations in the risk management and internal control systems, the Board recognises that these systems can only provide reasonable but not absolute assurance against any material financial misstatement and management information and records, or against financial losses, defalcations or fraud or breaches of laws or regulations, or other significantly adverse consequences. Nonetheless, all efforts have been taken to provide reasonable assurance that significant risks which impact the Group's strategies and objectives are within levels appropriate to the Company's business as approved by the Board.

The Board acknowledges its responsibility to review and monitor the adequacy, effectiveness and integrity of the Group's systems of risk management and internal control, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. In achieving the above, the Board has delegated these responsibilities to the Audit, Risk and Governance Committee ("ARGC"), to ensure oversight of risk management and internal control respectively.

The Board are pleased to state that the systems of internal control and risk management processes are generally in place and adequate for its purpose. The Management is expected to ensure the continual review of the Group's risk profiles, the related business processes and the monitoring of the implementation of Management Action Plans ("MAPs") in order to promote a balance of risk and return in daily business operations.

Please refer to the Corporate Governance Overview Statement on page 91 of this Annual Report for the full list of responsibilities of the Board.

Audit, Risk and Governance Committee ("ARGC")

The ARGC supports the Board in monitoring the Group's risk exposures, as well as the design and operating effectiveness of the underlying risk management and internal control systems. The ARGC assists the Board to, among others:

- Oversee the establishment and implementation of a risk management framework and assess the effectiveness of risk reporting structure;
- To review the effectiveness of the risk management framework and to ensure that the framework adopted is based on an internationally recognised risk management framework that is able to identify, assess, manage and monitor significant financial and non-financial risks in a regular and timely manner;
- To review, assess and recommend the risk management policy, procedures and risk management framework to the Board's;
- Review reports by the external auditors of any control issues identified during their audit-related and non-audit related works and discuss with the external auditors on the scope of their respective review and findings;

- Fulfil its responsibilities, particularly in the areas relating to the accounting and management controls, financial reporting and business ethics policies of the Group;
- Periodic reviews of the strengths and weaknesses of the overall internal controls system and action plans to address the risk of the weaknesses or to improve the assessment process; and
- Periodic reviews of the key business risks, and control measures to mitigate or reduce such risks.

Please refer to the Audit, Risk and Governance Committee Report on page 105 of this Annual Report for the full list of responsibilities of the ARGC.

Advisory Committee

To strengthen its strategic oversight and risk management capabilities, the Board established an Advisory Committee on 30 May 2024. The Committee provides independent insights and expert guidance on key areas such as investment strategies, financial management, project execution, and human capital development. Its primary role is to support the Board in shaping the Group's strategic direction and ensuring effective governance over major business initiatives, risk controls and internal processes.

Operating in a strictly advisory capacity, the Committee does not engage in day-to-day management, which remains under the purview of the Group Chief Executive Officer ("GCEO") and executive team. Instead, it serves as a bridge between the Board and Management, offering independent recommendations that promote accountability, transparency, and sound decision-making.

To safeguard its independence and effectiveness, the Committee's composition, mandate and reporting lines are clearly defined in line with the Bursa Malaysia Listing Requirements, the Malaysian Code on Corporate Governance (MCCG 2021), and other relevant regulations. Through this initiative, the Board affirms its commitment to robust corporate governance and the long-term creation of stakeholder value.

AT OPERATIONAL/IMPLEMENTATION LEVEL

Management

The Management, is accountable to the Board and responsible for implementing Board-approved frameworks, policies, and procedures on risk management and internal control management.

The Management acknowledges its role in respect to risk management and internal controls which includes:

- Identifying and evaluating the risks faced by the Group in line with the business objectives, strategies and overall risk appetite.
- Formulating, implementing, and monitoring relevant controls, policies and procedures to manage key risks and their impact on operating systems and environment.
- Continuously monitoring the changes to the risk environment, including identifying key emerging risks, taking appropriate mitigation actions and promptly bringing these changes to the Board's attention.
- Monitoring the implementation of related governance frameworks to achieve intended objectives.
- Enforcing compliance.
- Promptly addressing any shortcomings or incidents of non-compliance with policies and procedures.

Internal Audit Function

The Group has an in-house internal audit team that has been tasked to provide independent, reasonable and objective assurance, as well as internal consulting services to add value and improve overall efficiency of operations. The internal audit team assists the Group to achieve its objectives by bringing a systematic and disciplined approach in evaluating the effectiveness of risk management, control and governance processes of the Group. The audit practices are guided by Professional Internal Auditing Standards as prescribed by the Institute of Internal Auditors' International Professional Practices Framework ("IPPF").

To ensure the adequacy of coverage, internal audit assignments are prioritised based on the results of the risk management exercise, audit cycle and discussions with the Senior Management. The Group's annual internal audit plan is reviewed and approved by the ARGC, where the planned internal audit's achievement is monitored every quarter. Audit findings are presented to the ARGC every quarter for their review and deliberation before it is tabled at Board meetings.

Significant audit findings and recommendations for improvements are highlighted to senior management and the ARGC, with periodic follow-up reviews of the implementation of corrective action plans.

A description of the activities of Group Internal Audit during the financial year ended 31 December 2024 can be found in the Audit, Risk and Governance Committee Report included in this Annual Report.

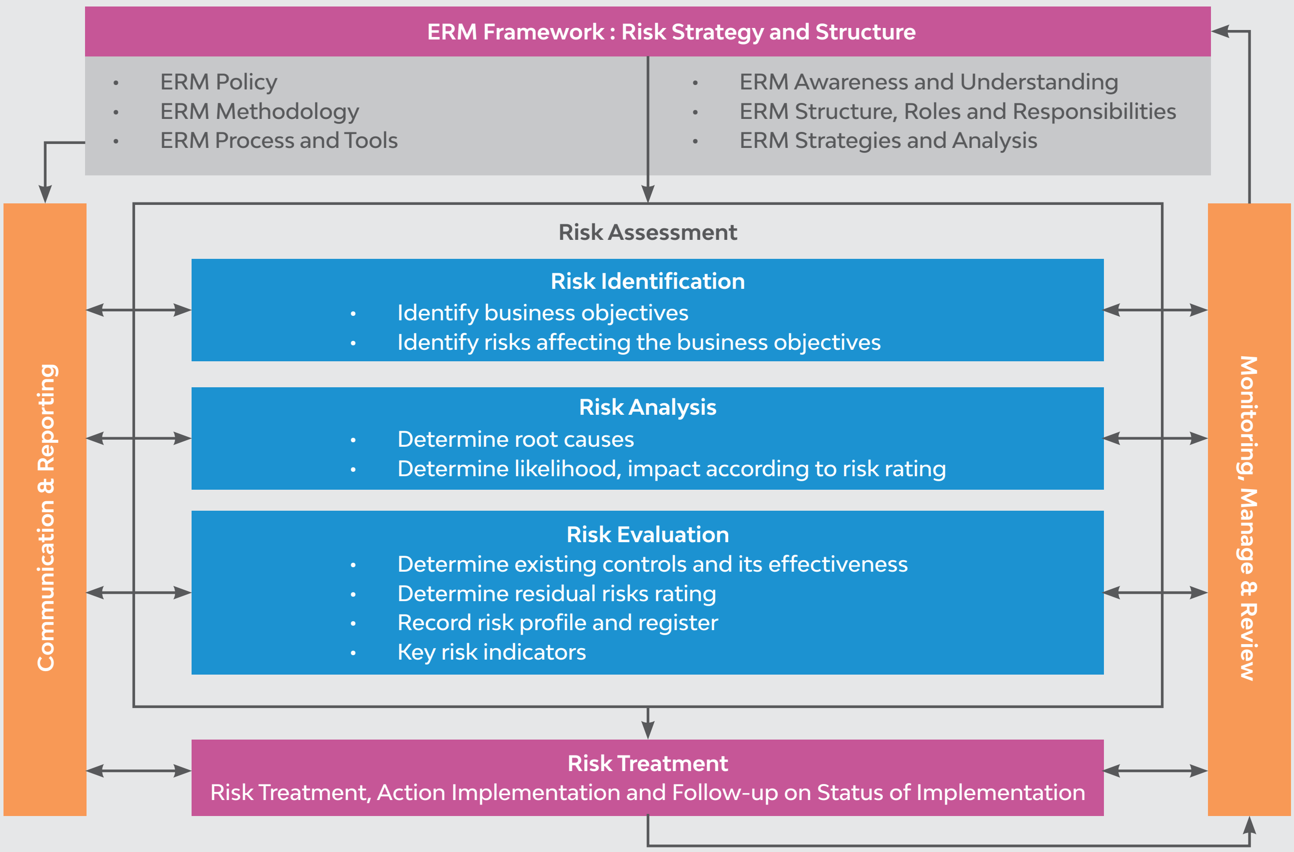
KEY FEATURES OF THE RISK MANAGEMENT FRAMEWORK

The Group's systems of risk management and internal controls include several key features to safeguard assets, shareholder interests and business operations throughout the reporting year:

RISK MANAGEMENT

The Board confirms that the Group has in place an ERM Framework for the ongoing process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group's business objectives.

The ERM process adopted is as follows:



The risk management framework, which is embedded in the management systems of the Group, clearly defines the authority and accountability in implementing the risk management process and internal control system. The Management assists the Board in implementing the process of identifying, evaluating and managing significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks.

The business development team is responsible for assessing and evaluating the feasibility and risk impact that prospective investments would have on the Group. For ongoing business operations, risk assessment and evaluation is an integral part of the annual business planning and budgeting process.

The Management of each business unit, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement, taking into consideration the effectiveness of controls that are capable of mitigating such risks.

Head of Divisions or Business Units representative are responsible for identifying risks that may have an impact on meeting their unit's business objectives. Risks identified are evaluated in accordance with the likelihood of occurrence and significance. Thereafter, risks are ranked according to the impact on the Business Unit, and control measures are formulated to mitigate these risks. Identified risks and control measures are reviewed by the Head of the respective Business Unit. Each business unit's identified risks and the controls and processes for managing them are tabulated in a risk assessment report.

During the year, the significant risks of business units were presented to the Risk Management Committee ("RMC") for deliberation.

KEY INTERNAL CONTROL SYSTEM AND STRUCTURE

The Board and Management of the Group has put in place the following key internal controls to assure the achievement of the Group's objectives and its operational effectiveness.

Board Committees

In undertaking its oversight function, the Board is supported by three Board Committees whose responsibilities are outlined by specific terms of reference and authority assigned for areas within their scope. The committees are:

- Audit, Risk and Governance Committee
- Nominating and Remuneration Committee
- Advisory Committee

The Board Committees report to the Board and in line with their respective terms of reference and authority limits granted by the Board, the Board Committees will either approve or propose recommendations for the Board's consideration. The structure, terms of reference of these committees are periodically reviewed to ensure that they remain effective and aligned to the Group's needs.

Management Committees

The Group has established various management committees to ensure that the day-to-day business operations are consistent with the corporate objectives, strategies, business plans and budgets approved by the Board. These committees bring together a wealth of experience and expertise to address key matters arising from operations (internal and external) in a more focused, effective, and timely manner.

Key management committees include but are not limited to the Group Management Committee, Risk Management Committee, Credit Control Committee and Project Steering Committee.

Annual Plan, Budgets and Management Reports

Annual Plans And Budgets

The Group has put in place an annual strategic planning and thorough budgeting process to establish goals, targets and required resources. Financial impact, risk and mitigation plans of strategic plans are deliberated thoroughly with the Senior Management, prior to recommendation by the ARGC for approval by the Board. The Board participates in the review and approval of the Annual Business Plans and Budget. Performance is monitored on a regular basis, and interventions are put in place, where required. The Board pays particular attention to significant variances of key performance indicators against plans and budgets to monitor performance. Key variances are deliberated and addressed by Management through appropriate mitigation plans.

The quarterly financial results released to the public are prepared by the Management and reviewed by the ARGC and the external auditors prior to recommendation to the Board for approval. This allows the Board to give their input and guidance on areas requiring attention.

Management and Board Monitoring And Reporting

The Senior Management team, via the Group Management Committee or other Management-level committees, review and provide the required intervention and/or approval to various reports including business and financial performance, business propositions, investment and disposal proposals, proposals to launch new products or services and various other management reports that highlight either performance indicators, latest developments in the governance and/ or operational areas.

The Group's quarterly financial statements and performance are reviewed by the ARGC, which subsequently shares feedback for the Board's consideration and approval.

The Board is provided with and has access to a suite of reports, enabling it to monitor performance against the Group's strategy, business and operational plan. The Board deliberates on the reports to ensure that appropriate actions are taken to resolve issues identified, and where necessary, provide guidance to the Management.

Values, Code of Conduct and Group Policies

A. Values and Conduct

In FY2022, the Group established a revised Mission, Vision and Values ("MVV") to drive the direction and behaviour expected from the Group's employees. The revised MVV adopted by all employees are:

- **Mission** – Leveraging core competencies in property development and construction, ENCORP develops affordable infrastructure to create sustainable value for stakeholders.
- **Vision** – To be recognised as the leading provider of value for money development and infrastructure, working with chosen partners to create sustainable value.
- **Values** – 'ENCORP'
    - **E**xcellence – We are engaged, enterprising, and resourceful problem-solvers, focusing on practical solutions to improve personal and organisational effectiveness and efficiency.
    - **N**imbleness – We are agile, alert to changing conditions, focusing on speed of response.
    - **C**ompetence – We meet our objectives through collegial collaboration, coordination and teamwork.
    - **O**rganisational Excellence – We are empowered, accountable, reliable and open to new ideas to meet agreed deadlines.
    - **R**esponsibility – We are resilient, dependable and trustworthy partners.
    - **P**roductivity – We achieve high levels of productivity through rational, competent problem-solving partnerships.

The Group's Code of Conduct and Business Ethics Guidelines ("the Code") provides an ethical framework to guide actions and behaviours of directors and employees of the Group. It reflects the increasing need for effective corporate governance and compliance measures in the Group's businesses, domestically and internationally.

The Code is reviewed as and when necessary to ensure it remains current and relevant in addressing any ethical issues that may arise within the organisation.

B. Limits of Authority ("LOA")

Internal control activities have been established in all business units with clearly defined organisational roles, responsibilities and authorities via the Limits of Authority ("LOA") for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets which represent an essential element of good corporate governance. At ENCORP, the LOA has been formulated to ensure robust governance as well as adequate checks and balances in initiation and approval processes of authorised transactions. These have been communicated to all levels and are easily accessible via the Group's Fileserver.

Formulated on a risk-based approach, the LOA enables implementation of balanced span of accountability and control among the authorised parties involving the Board, Board Committees and Management of the Group as necessary. The LOA was reviewed as and when necessary during the financial year to ensure effective implementation, and updated in line with organisational changes and business needs, while maintaining authority limits and guidelines intact.

C. Policies and Procedures

The Group's internal control system encompasses formalised and documented internal policies, standards and procedures to ensure compliance with internal controls, relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are continuously being revised and updated when necessary to reflect changing risks or to resolve operational deficiencies, and to guide employees in their day-to-day work. These documents are published in the Group's online portal for employees' reference. Instances of non-compliance with such policies and procedures are reported thereon by Group Internal Audit to the ARGC.

D. Compliance, Ethics and Integrity

The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships, free of any acts of bribery or corruption in upholding high standards of ethics. In line with this, the Group has adopted an Anti-Bribery and Corruption Guideline ("ABC") and Anti-Bribery Policy and Procedures with the enforcement of the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business in order to prevent acts of bribery and corruption. The ABC is designed to guide an acceptable and unacceptable behaviours regarding bribery and corruption. Where applicable, the requirements of the Group's existing policies, systems and procedures in relation to anti-bribery and anti-corruption are extended to the Group's contractors, counterparties and business partners to ensure that anti-corruption and bribery initiatives are applied throughout the Group's supply chain. The Group will continue to foster anti-corruption culture and adhere to the anti-corruption laws and regulations in all areas and sectors in which it operates.

On 29 February 2024, the Group held its 2024 Encorp's Integrity Day. The Group reaffirmed its commitment to upholding uncompromising integrity and ZERO-TOLERANCE approach against all forms of bribery and corruption, whereby board members, management and employees signed the Corruption-Free Pledge.

A Gift, Hospitality and Benefits Procedure has been established and approved by the Group Chief Executive Officer on 19 May 2022. This procedure sets out the responsibilities in observing and upholding the Group's stance against bribery and corruption when giving and receiving gifts and hospitality.

The abovementioned procedure are available for reference on the Group's Fileserver.

A Whistleblowing Policy and Guideline is established to provide appropriate communication and feedback channels which facilitate whistleblowing in a transparent and confidential manner. It outlines the Group's commitment to encourage its staff and stakeholders to raise genuine concerns about possible improprieties relating to financial reporting, compliance or suspected violations of the Group's Code of Conduct and Business Ethics, and to disclose any improper conduct or other malpractices within the Group in an appropriate way to the management for action. Whistle blowing avenues include: -

- Meet or contact any Risk, Governance and Integrity Unit staff to make a report; and
- In writing and delivered either by hand or mail to the Chairman of the ARGC.

The Group is committed to investigate any suspected misconduct, improprieties or breaches reported relating to financial reporting, compliance or violations of the Group's Code of Conduct and Business Ethics, as well as to protect those who come forward to report such activities.

The Employee Handbook provides information on employment terms and conditions in addition to compensation, leaves, health benefits to name a few.

The Code of Ethics & Conduct and Whistle Blower & Anti Corruption can be accessed from the company's website: **https://www.encorp.com.my/corporate-governance/**

Human Capital Management

A. Employee Engagement And Performance

The established Human Resource ("HR") policies and procedures provide clear guidelines with regards to recruitment, human resource management and performance appraisal to enhance employee's competency levels have been disseminated to all employees via various means of communications to ensure organisational alignment and compliance. These policies and procedures are periodically reviewed to ensure availability of adequate relevant controls are in place to manage operational risks and compliance with regulatory requirements (where applicable).

A performance management system with clearly defined business objectives and targets are set for relevant employees. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set, while employee engagement surveys are conducted to gain feedback on effectiveness and efficiency of the Group to aid continuous improvement of employee competency, in line with the Group's goals and objectives.

Training and development programs are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

B. Employee Conduct

Available for employees' access in the Group Fileserver, employee conduct is governed by a series of policies which define the core values of the Group – Excellence, Nimbleness, Competence, Organisational Excellence, Responsibility and Productivity. The Group uses several communications and learning channels for employees, including emails / memoranda, intranet, townhalls, learning and knowledge sharing sessions as well as division / unit meetings, to ensure alignment of all employee towards the strategic objectives and compliance with relevant policies and procedures.

Insurance On Key Assets

The Group undertakes insurance coverage for major assets and resources to mitigate any mishaps that may result in financial or material losses to the Group. The Group's insurance coverage is being renewed annually.

Information Technology Management And Cyber Security

With the rising digital adoption within the Group and emerging threats in cyber security, the Group conducts regular reviews on the security control and risk management to protect the information systems, networks and data.

The Group has built a team of IT professionals comprising in-house and outsourced specialists, and established a set of IT security policies and procedures based on relevant data security standards and industry recommended practices. In addition, independent external assessment are conducted on a yearly basis to ensure that the systems are robust, effective and continuously improved to enhance the Group's cyber resilience. The IT infrastructure is adequately protected against unauthorised access and security threats. Several dedicated layers of external and internal protections have been established, i.e. firewall with advanced network protection, email protection from spam and malware, and multifactor authentication to strengthen user's access. The policies and procedures are available for reference to all levels and are easily accessible via the Group's Fileserver.

The Group has continued its digital transformation effort to transform services and businesses, through replacing non-digital processes and older digital technology with new digital technology, to improve process efficiency and to minimise the risks of human intervention via automation.

QUALITY MANAGEMENT SYSTEM

The Group's Property Unit has been accorded ISO 9001 Quality Management System accreditation in the year 2007, demonstrating the Group's quest in consistently improving the strength of its internal controls. As part of the requirements of the certification, scheduled audits are conducted internally by ISO function of the Compliance, Sustainability and Integrity Unit as well as by auditors of the relevant certification bodies.

Where relevant, external certification/standards such as the Quality Assessment System in Construction ("QLASSIC") was adopted to further strengthen an improve delivery processes and quality.

BUSINESS CONTINUITY MANAGEMENT

The Group is committed to safeguarding the interest of all our stakeholders by ensuring that critical business processes are resilient and the impact of disruptions to business operations are minimised and recovered in a timely manner following a disruption.

The Group has put in place the backup strategy for critical data and system software for the ICT systems in which data integrity is restored within 24 hours from the point of failure. In addition, the critical physical document is kept at a dedicated department and centralised record management store. These initiatives will help mitigate the impact to business operations if unexpected events occur.

INFORMATION AND COMMUNICATION PROCESSES

Communication and consultation with internal as well as external stakeholders are important elements of the risk management process. Effective communication is essential to ensure that all stakeholders are well-informed on any decisions or actions taken, including the justifications for such actions.

The Management and the Board received timely, relevant and reliable reports which are reviewed on a regular basis:

- The Group has put in place an Information System to ensure that it captures, compiles, analyses and reports relevant data, which enables management to make sound business decisions in an accurate and timely manner towards meeting the business objectives.
- The Group takes a serious view of its legal and ethical responsibilities. It has taken steps to ensure compliance with internal controls, as well as relevant laws and regulations that govern the business and operations of the Group.

MATERIAL JOINT VENTURES AND ASSOCIATES

This statement does not cover the risk management, internal controls framework and processes of the Group's material joint ventures and associates as these areas fall within the control of their shareholders and management.

The Management of the joint ventures, which consist of representations from the Group and other joint venture partners, are responsible for overseeing the administration, operation and performance of the joint venture. Financial and operational reports of these joint ventures are provided regularly to the Management of the Group. Feedback from the Group is then raised and discussed at the Board of Joint Ventures.

RISK REVIEW FOR FINANCIAL YEAR AND SCOPE

A review on the adequacy and effectiveness of the risk management and internal control systems has been undertaken for the financial year under review. Each business and supporting unit, cutting across all geographic locations, comprising all personnel at various levels have been guided by the ERM framework to identify, assess, mitigate, monitor and report the risks of their respective functions.

Risk identification, assessment, mitigation and monitoring processes are carried out continuously to ensure that new risks are identified and managed accordingly. New risk exposures could be due to, but not limited to, the following:

- Changes to the strategic objectives;
- Changes in the operating landscape;
- Introduction of new laws or legislations;
- Introduction of new accounting standards, guidelines or directives; and/or
- Changes in internal policies and procedures.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on the Statement as required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities and in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), 'Assurance Engagements Other than Audit or Reviews of Historical Financial Information' and AAPG 3, 'Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report' issued by the Malaysia Institute of Accountants ("MIA"). AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon.

Based on their procedures performed and evidence obtained, they have reported to the Board that nothing has come to their attention that causes them to believe that:

1. this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of SRMICG,
2. nor is the Statement factually inaccurate.

ASSURANCE FROM MANAGEMENT

The Board has received reasonable assurance from the Management that the Group's existing risk management and internal control systems, in all material aspects, were operating adequately and effectively to meet the Group's objectives during the financial year under review. The Management has also committed to continuously review and strengthen the risk management and internal controls system to ensure its adequacy and robustness.

CONCLUSION

The Board was satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board remains committed towards operating a sound system of risk management and internal control and recognises that the system must continuously evolve to support the type of business and size of operations of the Group.

In order to keep abreast with any changes in the business environment and an increasingly complex economic environment, the Group is committed to continuously review and strengthen the risk management and internal control system to ensure its adequacy and robustness. The Board recognises that the risk management and internal control system, however well-designed, can only provide reasonable and not absolute assurance against the occurrence of any material financial misstatement and management information and records, or against financial losses, defalcations or fraud or breaches of laws or regulations, or other significantly adverse consequences. The Board, having taken into consideration the assurance from the Management and input from relevant assurance providers, is of the view that the Group's risk management and internal control system in place for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report, is generally adequate and effective to safeguard the interest of shareholders and assets of the Group.

This Statement is made in accordance with the resolution of the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITY

On Annual Audited Financial Statements

The Directors have overall responsibility for preparing the annual audited financial statements. Under the Companies Act 2016, the Directors are required to prepare the financial statements in accordance with applicable approved accounting standards which give a true and fair view of the financial position as at the end of each financial year and the financial performance for each financial year of the Company and all its subsidiaries ("Group").

In preparing the financial statements for the financial year ended 31 December 2024, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- used reasonable and prudent judgments and estimations;
- ensured that applicable approved accounting standards and statutory requirements have been followed; and
- prepared the financial statements on the going concern basis.

The Directors are also responsible for ensuring the Group properly keeps adequate accounting records that are sufficient to explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the relevant statutory requirements. The Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT & AUDITED FINANCIAL STATEMENTS

Encorp Berhad
(Incorporated in Malaysia)

Encorp Berhad
(Incorporated in Malaysia)

Directors' report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Company are investment holding and provision of general management support services.

The principal activities and other information of the subsidiaries are disclosed in Note 16 to the financial statements.

Results

The results of the operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit/(loss), net of tax	3,437	(6,595)
Profit/(loss) attributable to:		
Owners of the Company	1,807	(6,595)
Non-controlling interests	1,630	-
	3,437	(6,595)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 5 and 8 to the financial statements.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Treasury shares

The details of treasury shares held by the Group and the Company are disclosed in Note 25(b) to the financial statements.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

Encorp Berhad
(Incorporated in Malaysia)

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Mohd Yusmadi Bin Mohd Yusoff	
Datuk Haji Jaafar Bin Abu Bakar	
Haji Lukman Bin Abu Bakar	
Dato' Dr Suzana Idayu Wati Binti Osman	
Nor Azira Binti Abu Bakar	(Appointed on 27 March 2025)
Mahadzir Bin Mustafa	(Resigned on 21 February 2025)

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Raja Dato' Idris Bin Raja Halid	
Ezzuddin Bin Hassan	
Datin Emilia Rosemawati Binti Uzir	
Azura Binti Ramli	
Khairul Abidi Bin Ghazlan	
Nurul Nisaq Binti Ahmad Shah	
Kamarul Azman Bin Kamarozaman @ Amir	(Appointed on 7 October 2024)
Hazurin Bin Harun	(Removed on 6 January 2025)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	935	663
Allowances and other emoluments	188	138
	1,123	801

Directors' interests

None of the directors in office at the end of the financial year had any interest in shares in the Company or its related companies.

Holding company and body

The immediate holding company of the Company is Felda Investment Corporation Sdn. Bhd.. The directors regard the Federal Land Development Authority ("FELDA"), a body set up under the Land Development Act 1956, as the ultimate holding body.

Encorp Berhad
(Incorporated in Malaysia)

Other statutory information

(a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which the Group and the Company might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances, which would render:

(i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Indemnity and insurance for directors and officers

The Company maintains directors' liability insurance for purpose of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover of the directors of the Company. The amount of insurance premium paid during the year amounted to RM42,000.

Encorp Berhad
(Incorporated in Malaysia)

Auditors and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	303	95

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2024.

Signed on behalf of the Board in accordance with a resolution of the directors dated on 11 April 2025.

Mohd Yusmadi Bin Mohd Yusoff
Director

Datuk Haji Jaafar Bin Abu Bakar
Director

Encorp Berhad
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Statement by directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Mohd Yusmadi Bin Mohd Yusoff and Datuk Haji Jaafar Bin Abu Bakar, being two of the directors of Encorp Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 133 to 216 are drawn up in accordance with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated on 11 April 2025.

Mohd Yusmadi Bin Mohd Yusoff
Director

Datuk Haji Jaafar Bin Abu Bakar
Director

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kamarul Azman Bin Kamarozaman @ Amir, being the officer primarily responsible for the financial management of Encorp Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 133 to 216 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Kamarul Azman Bin Kamarozaman @ Amir
at Petaling Jaya in the Selangor Darul Ehsan
on 11 April 2025

Kamarul Azman Bin
Kamarozaman @ Amir
CA 43538

Before me,
Ahmad Zaidi Bin Ahmad (No. B805)
Commissioner of Oaths

**Independent auditors' report to the members of
Encorp Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Encorp Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 133 to 216.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Independent auditors' report to the members of
Encorp Berhad
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Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

a) Revenue and cost of sales from property development activities

For the financial year ended 31 December 2024, revenue of RM53,083,000 and cost of sales of RM14,181,000 from property development activities (including sale of completed properties) account for approximately 51% and 57% of the total Group's revenue and cost of sales respectively.

The Group recognises revenue and profit from its property development activities by reference to the progress towards completion of a performance obligation that is satisfied over time. The amount of revenue and profit recognised are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive at the percentage of completion, the actual number of units sold and the estimated total revenue for each of the respective projects.

We identified revenue and cost of sales from property development activities recognised by reference to the progress towards completion as matters requiring audit focus as these are areas which involved significant management's judgement and estimates in estimating the total property development costs (which is used to determine the progress towards completion and gross profit margin of property development activities undertaken by the Group).

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

- Reviewed samples of sales and purchase agreements entered into with customers to obtain an understanding of the significant performance obligations, terms and conditions to be satisfied;

- Obtained an understanding of management's internal control over the revenue recognition process, including controls over the timing of revenue recognition and the estimation of property development costs, profit margin and progress towards completion of property development activities;

- Evaluated the assumptions applied in estimating the property development costs for property development phases on a sampling basis by examining documentary evidence such as letter of award issued to contractors to support the budgeted costs;

- Evaluated the actual property development costs incurred by examining documentary evidence such as contractors' progress claims and suppliers' invoices; and

- Assessed the mathematical accuracy of the calculation of progress towards completion in respect of revenue and profit recognised.

The Group's accounting policies and disclosures on property development activities based on percentage of completion method are disclosed in Notes 2.13, 2.14, 2.17(a), 3(a), 4, 5, and 15(b) respectively to the financial statements.

Independent auditors' report to the members of
Encorp Berhad
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Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

b) Valuation of investment properties

As at 31 December 2024, the carrying amount of investment properties amounted to RM305,490,000 representing approximately 50% and 29% of the Group's total non-current assets and total assets respectively.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions including, amongst others, estimated rental value per square feet, expected market rental growth, occupancy rate and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

Our procedures to address this area of focus include, amongst others, the following:

- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;

- Reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;

- Evaluated the appropriateness of the data used by the independent valuers as input into their valuations. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process; and

- Assessed the adequacy of the disclosures of the Group's accounting policies, significant judgement and estimates, including the basis and assumptions used in determining the fair values of the investment properties.

The Group's accounting policies, significant judgement and estimates and disclosures on investment properties are disclosed in Notes 2.9, 3(b), 8, 14 and 32 respectively to the financial statements.

c) Impairment of amount due from a subsidiary

MFRS 9 Financial Instruments requires an entity to recognise a loss allowance for expected credit losses on financial assets that are measured at amortised cost, including amounts due from subsidiaries. Included in the amounts due from subsidiaries of the Company as at 31 December 2024 is an amount due from Encorp Development Pty. Ltd. ("EDPL") of RM50,494,000, net of accumulated impairment loss of RM35,483,000, resulting in a net carrying amount of RM15,011,000.

The Company performed an impairment review in respect of the amount due from EDPL by comparing the carrying amount of the asset and the present value of estimated future cash flows receivable from EDPL.

This is an area of audit focus as the determination of the quantum of impairment loss is a subjective area due to significant level of judgement and assumptions applied by management.

Independent auditors' report to the members of
Encorp Berhad
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Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

c) Impairment of amount due from a subsidiary (cont'd.)

Our procedures to address this area of focus included, amongst others, the following:

- Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amount due from EDPL; and

- Evaluated the assumptions applied in the determination of the amount and timing of receipts from EDPL in light of the estimation of profits and the resulting cash flows to be derived from the operations of EDPL.

We also reviewed and assessed the adequacy of the disclosures in the financial statements relating to the impairment of the amount due from EDPL in Notes 8 and 18(c) to the financial statements.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report to the members of
Encorp Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditors' report to the members of
Encorp Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 16 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Chuan Yee Yang
No. 03489/03/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
11 April 2025

Statements of comprehensive income
For the year ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue	4	104,013	129,193	7,800	3,840
Cost of sales	5	(24,666)	(57,151)	-	-
Gross profit		79,347	72,042	7,800	3,840
Other operating income	6	10,939	12,545	2,747	7,302
Selling and marketing expenses		(3,493)	(3,602)	(9)	-
Administrative expenses		(26,281)	(20,086)	(12,964)	(6,573)
Finance costs	7	(50,906)	(59,193)	(2,162)	(2,249)
Other operating expenses		(3,549)	(2,789)	(2,007)	(1,950)
Profit/(loss) before tax	8	6,057	(1,083)	(6,595)	370
Income tax expense	11	(2,620)	(7,401)	-	-
Profit/(loss) for the year		3,437	(8,484)	(6,595)	370
Other comprehensive income					
Revaluation of office building	26	-	5,866	-	-
Foreign currency translation	26	4,242	(1,634)	-	-
Total comprehensive income/(loss) for the year		7,679	(4,252)	(6,595)	370
Profit/(loss) for the year attributable to:					
Owners of the Company		1,807	(9,188)	(6,595)	370
Non-controlling interests		1,630	704	-	-
		3,437	(8,484)	(6,595)	370
Total comprehensive income/(loss) attributable to:					
Owners of the Company		6,049	(4,956)	(6,595)	370
Non-controlling interests		1,630	704	-	-
		7,679	(4,252)	(6,595)	370
Profit/(loss) per ordinary share attributable to owners of the Company (sen per share):					
Basic/Diluted	12	0.57	(2.90)		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of financial position
As at 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	4,321	4,442	662	480
Investment properties	14	305,490	303,330	-	-
Land held for property development	15(a)	27,311	27,514	-	-
Investment in subsidiaries	16	-	-	129,960	129,960
Intangible assets	17	311	112	299	95
Trade and other receivables	18	258,118	361,645	24,250	26,683
Right-of-use assets	19(a)	11,394	13,309	11,386	13,208
Deferred tax assets	20	4,702	3,688	-	-
		611,647	714,040	166,557	170,426
Current assets					
Property development costs	15(b)	45,573	38,346	-	-
Inventories	15(c)	75,998	75,573	-	-
Trade and other receivables	18	133,599	133,310	55,705	53,725
Contract assets	22	10,312	14,063	-	-
Tax recoverable		173	180	-	-
Other investments	21	141,451	138,145	2	42
Other current assets	23	1,193	731	427	203
Cash and cash equivalents	24	17,764	16,322	747	276
		426,063	416,670	56,881	54,246
Total assets		1,037,710	1,130,710	223,438	224,672
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	25	399,016	399,016	399,016	399,016
Treasury shares	25	(327)	(327)	(327)	(327)
Other reserves	26	32,363	28,121	-	-
Accumulated losses		(96,023)	(97,830)	(267,615)	(261,020)
Owners' equity		335,029	328,980	131,074	137,669
Non-controlling interests		91,441	89,811	-	-
Total equity		426,470	418,791	131,074	137,669

Statements of financial position
As at 31 December 2024 (cont'd.)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current liabilities					
Trade and other payables	27	15,046	14,181	-	-
Loans and borrowings	28	301,962	405,108	126	-
Lease liabilities	19(b)	13,084	14,947	13,084	14,938
Deferred tax liabilities	20	4,183	4,791	-	-
		334,275	439,027	13,210	14,938
Current liabilities					
Trade and other payables	27	100,706	92,948	62,263	55,501
Other current liabilities	29	3,823	3,823	-	-
Contract liabilities	22	11,048	8,055	-	-
Loans and borrowings	28	158,738	165,308	15,037	15,000
Lease liabilities	19(b)	1,863	1,664	1,854	1,564
Income tax payable		787	1,094	-	-
		276,965	272,892	79,154	72,065
Total liabilities		611,240	711,919	92,364	87,003
Total equity and liabilities		1,037,710	1,130,710	223,438	224,672

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Attributable to owners of the Company						
	Non-distributable						
	Share capital (Note 25) RM'000	Treasury shares (Note 25) RM'000	Other reserves (Note 26) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024	399,016	(327)	28,121	(97,830)	328,980	89,811	418,791
Profit for the year	-	-	-	1,807	1,807	1,630	3,437
Other comprehensive income	-	-	4,242	-	4,242	-	4,242
Total comprehensive income	-	-	4,242	1,807	6,049	1,630	7,679
At 31 December 2024	399,016	(327)	32,363	(96,023)	335,029	91,441	426,470

Consolidated statement of changes in equity
For the year ended 31 December 2024 (cont'd.)

	Attributable to owners of the Company						
	Non-distributable						
	Share capital (Note 25) RM'000	Treasury shares (Note 25) RM'000	Other reserves (Note 26) RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023	399,016	(327)	23,889	(88,642)	333,936	89,107	423,043
(Loss)/profit for the year	-	-	-	(9,188)	(9,188)	704	(8,484)
Other comprehensive income	-	-	4,232	-	4,232	-	4,232
Total comprehensive income/(loss)	-	-	4,232	(9,188)	(4,956)	704	(4,252)
At 31 December 2023	399,016	(327)	28,121	(97,830)	328,980	89,811	418,791

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Company statement of changes in equity
For the year ended 31 December 2024

	I------Non-distributable------	------I		
	Share capital (Note 25) RM'000	Treasury shares (Note 25) RM'000	Accummulated losses RM'000	Total RM'000
At 1 January 2024	399,016	(327)	(261,020)	137,669
Loss for the year	-	-	(6,595)	(6,595)
At 31 December 2024	399,016	(327)	(267,615)	131,074
At 1 January 2023	399,016	(327)	(261,390)	137,299
Profit for the year	-	-	370	370
At 31 December 2023	399,016	(327)	(261,020)	137,669

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statements of cash flows
For the year ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities				
Profit/(loss) before tax	6,057	(1,083)	(6,595)	370
Adjustments for:				
Depreciation of property, plant and equipment (Note 8)	532	437	145	94
Depreciation of right-of-use assets (Note 8)	1,915	1,953	1,822	1,822
Amortisation of intangible assets (Note 8)	45	40	40	36
Interest expense (Note 7)	50,906	59,193	2,162	2,249
Distribution income from money market investment securities (Note 6)	(988)	(998)	-	(2)
Gain on fair value adjustment of investment securities (Note 6)	(3,955)	(3,866)	-	(13)
Property, plant and equipment written off (Note 8)	-	4	-	4
Interest income on: (Note 6)				
- subsidiaries companies	-	-	(2,727)	(2,743)
- others	(602)	(748)	(14)	(22)
Deposit forfeited (Note 6)	(76)	(136)	-	-
Provision for short-term accumulating compensated absences (Note 9)	331	269	140	98
Gain on fair value adjustment of investment properties (Note 6)	(2,160)	(3,800)	-	-
Inventories written down (Note 8)	-	360	-	-
Land held for development written down (Note 8)	1,056	-	-	-
Expected credit losses on: (Note 8)				
- trade receivables	885	434	240	480
- other receivables	-	1,050	-	221
Unrealised loss/(gain) on foreign exchange (Note 8)	6,301	(2,373)	6,301	(2,373)
Gain on remeasurement of lease liabilities (Note 6)	-	(62)	-	(62)
Effects of modification on other liabilities at amortised costs (Note 6)	(91)	(44)	-	-
Inventories written back (Note 6)	(1,815)	(1,349)	-	-
Reversal of expected credit losses: (Note 8)				
- trade receivables	(796)	(782)	(1,149)	-
- other receivables	(1,831)	(27)	(1,570)	(4,460)
Operating cash flows before working capital changes	55,714	48,472	(1,205)	(4,301)

Statements of cash flows
For the year ended 31 December 2024 (cont'd.)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (cont'd.)				
Operating cash flows before working capital changes (cont'd.)	55,714	48,472	(1,205)	(4,301)
Changes in working capital:				
Land held for development and development expenditure	(8,959)	(7,209)	-	-
Inventories	1,390	3,969	-	-
Trade and other receivables	96,108	70,913	(3,369)	(2,763)
Contract assets and contract liabilities	6,744	(2,373)	-	-
Other current assets	(462)	(333)	(224)	(30)
Trade and other payables	11,030	6,497	6,622	3,007
Cash generated from/(used in) operations	161,565	119,936	1,824	(4,087)
Interest paid	(32,769)	(38,084)	(1,211)	(1,212)
Income taxes paid	(4,542)	(7,950)	-	-
Net cash flows generated from/ (used in) operating activities	124,254	73,902	613	(5,299)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 13(a))	(230)	(1,244)	(146)	(317)
Purchase of intangible assets (Note 17)	(244)	-	(244)	-
Withdrawal from other investments	649	5,401	40	5,546
Withdrawal of deposits with licensed bank with tenure of more than 3 months	74	1,767	-	-
Distribution income received	988	998	-	2
Interest received	602	748	2,741	2,765
Net cash flows generated from investing activities	1,839	7,670	2,391	7,996

Statements of cash flows
For the year ended 31 December 2024 (cont'd.)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash flows from financing activities				
Drawdown of loans and borrowings	5,504	23,200	-	-
Repayment of loans and borrowings	(131,555)	(118,501)	(23)	-
Repayment of principal and interest portion of lease liabilities (Note (a))	(2,614)	(2,647)	(2,510)	(2,511)
Net cash flow used in financing activities	(128,665)	(97,948)	(2,533)	(2,511)
Net (decrease)/increase in cash and cash equivalents	(2,572)	(16,376)	471	186
Effect of exchange rate changes on cash and cash equivalents	4,088	(1,605)	-	-
Cash and cash equivalents at beginning of year	15,273	33,254	276	90
Cash and cash equivalents at end of year (Note 24)	16,789	15,273	747	276

Statements of cash flows
For the year ended 31 December 2024 (cont'd.)

(a) Reconciliation of movement of liabilities to cash flows arising from financing activities.

The movement of liabilities in the statements of cash flow is as follows:

At 31 December 2024

Group	As at 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Others/ Non-cash changes RM'000	As at 31 December 2024 RM'000
Loans and borrowings (Note 28)	570,416	(126,051)	16,335	460,700
Lease liabilities (Note 19(b))	16,611	(2,614)	950	14,947
Total liabilities from financing activities	587,027	(128,665)	17,285	475,647
Company				
Loans and borrowings (Note 28)	15,000	(23)	186	15,163
Lease liabilities (Note 19(b))	16,502	(2,510)	946	14,938
Total liabilities from financing activities	31,502	(2,533)	1,132	30,101

At 31 December 2023

Group	As at 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Others/ Non-cash changes RM'000	As at 31 December 2023 RM'000
Loans and borrowings (Note 28)	645,244	(95,301)	20,473	570,416
Lease liabilities (Note 19(b))	18,598	(2,647)	660	16,611
Total liabilities from financing activities	663,842	(97,948)	21,133	587,027
Company				
Loans and borrowings (Note 28)	15,000	-	-	15,000
Lease liabilities (Note 19(b))	18,548	(2,511)	465	16,502
Total liabilities from financing activities	33,548	(2,511)	465	31,502

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Notes to the financial statements
31 December 2024

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 40-3 (03A), Jalan PJU 5/22, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 46-G, Jalan PJU 5/22, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of general management support services. The principal activities of the subsidiaries are disclosed in Note 16.

The immediate holding company of the Company is Felda Investment Corporation Sdn. Bhd.. The directors regard the Federal Land Development Authority ("FELDA"), a body set up under the Land Development Act 1956, as the ultimate holding body.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 11 April 2025.

2. Summary of accounting policies

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The ability of the Company to continue as a going concern is closely related to the ability of the Group as a whole to continue as a going concern. The Company is an investment holding company and its main assets are the investment in subsidiaries which the Company controls. The Company's main source of income is from the management fees charged to subsidiaries and interest income.

The management of the Company monitors the cash flows and utilisation of funds within the Group for the requirements of the Company as well as the subsidiaries on a Group-wide basis. This includes determining the timing and quantum of the repayment of amounts due from and due to the subsidiaries of the Company when required.

As at 31 December 2024, the Group has net current assets and net assets of RM149,098,000 and RM426,470,000 respectively. The directors and the management of the Company have assessed and concluded that the going concern assumption remains appropriate for the Group and the Company.

2. **Summary of accounting policies (cont'd.)**

2.2 Adoption of new and revised pronouncements

As of 1 January 2024, the Group and the Company have adopted the following pronouncements that are applicable and have been issued by the Malaysian Accounting Standards Board as listed below:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)
Amendments to MFRS 101	Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

The adoption of the amendments to MFRS Accounting Standards above did not have any significant impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Effective for annual periods beginning on or after 1 January 2025:

Amendments to MFRS 121	Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

Effective for annual periods beginning on or after 1 January 2026:

Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11 (Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, MFRS 7 Financial Instruments: Disclosures, MFRS 9 Financial Instruments, MFRS 10 Consolidated Financial Statements and MFRS 107 Statement of Cash Flows)

2. Summary of accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

Effective for annual periods beginning on or after 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

Deferred:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Venture)

The directors expect that the adoption of the above MFRS Accounting Standards and amendments to MFRS Accounting Standards and Interpretations will not have a material impact to the financial statements of the Group and of the Company in the year of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with other vote holder(s) of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2. Summary of accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value on the acquisition date, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2. Summary of accounting policies (cont'd.)

2.6 Foreign currency

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss are recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. Summary of accounting policies (cont'd.)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of an item can be measured reliably.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	5 years
Office equipment, furniture and fittings	5 - 10 years
Office renovation	10 years
Buildings	50 years
Plant and machinery	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.10.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Summary of accounting policies (cont'd.)

2.8 Leases (cont'd.)

As a lessee (cont'd.)

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premise	15 years
Office equipments	3 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.10.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of office equipments (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipments that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of accounting policies (cont'd.)

2.8 Leases (cont'd.)

As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuers applying a valuation model recommended by the International Valuation Standards Committee or internal appraisals by the directors.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS 15.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment, set out in Note 2.7 up to the date of change in use.

2.10 Impairment of non-financial assets

The Group and the Company assess the carrying amounts of the Group's and the Company's non-financial assets, other than deferred tax assets and inventories for completed properties, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2. Summary of accounting policies (cont'd.)

2.10 Impairment of non-financial assets (cont'd.)

The Group and the Company base its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment for assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.11 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

2. Summary of accounting policies (cont'd.)

2.11 Financial assets (cont'd.)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and cash equivalents.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group and the Company have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or

  (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

2. Summary of accounting policies (cont'd.)

2.11 Financial assets (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Summary of accounting policies (cont'd.)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as the cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

(a) Land held for property development

Land held for property development (classified within non-current assets) comprise land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost or net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Where the financial outcome of a development activity can be estimated reliably, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that are likely to be recoverable. Property development costs are recognised as expenses in the period in which they are incurred.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as contract assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as contract liabilities.

2. Summary of accounting policies (cont'd.)

2.13 Inventories (cont'd.)

(c) Completed properties

Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Contract assets and Contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue or other income when the Group and the Company perform the contract.

2.15 Financial liabilities

Initial recognition and measurement

The Group’s and the Company's financial liabilities include trade and other payables, lease liabilities and loans and borrowings.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of MFRS 9.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

2. Summary of accounting policies (cont'd.)

2.15 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

(a) Financial liabilities at fair value through profit or loss (cont'd.)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables (excluding provision), lease liabilities and loans and borrowings.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

After initial recognition of loans and borrowings, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs will cease when the qualifying assets are ready for their intended used. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of accounting policies (cont'd.)

2.17 Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred at point in time unless one of the following overtime criteria is met:

- the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

(a) Sale of development properties

Contracts with buyers may include multiple promises to buyers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the buyer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the buyer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at point in time. The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the project). The input method depicts the Group's progress of performance in the assets created which has no alternative use to the Group. Otherwise, revenue is recognised at a point in time when the buyer obtains control of the asset.

Revenue from sale of vacant land is recognised upon delivery of vacant land where the control of the vacant land has been transferred to the buyer.

2. Summary of accounting policies (cont'd.)

2.17 Revenue from contracts with customers (cont'd.)

(b) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments. Under the terms of the contracts, the Group has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and that the construction services performed does not create an asset with an alternative use to the Group.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Work done is measured based on external certification of project activities. Full provision is made for any foreseeable losses which is offset against revenue. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally less than one year.

(c) Sale of completed properties

Revenue from the sale of completed properties are recognised when the performance obligation in the contract with customer is satisfied (i.e. when the control of the asset underlying the particular performance obligation is transferred to the customer).

Revenue from the sale of completed properties are recognised upon handing over of vacant possession where control of the asset has been transferred to the customer. Revenue is recognised based on the price specified in the contract, net of rebates and discounts.

(d) Concession income

Concession income is recognised when the performance obligation has been performed and fulfilled (i.e. when the ownership has passed upon the completion and handover of each unit of the teachers' quarters to the Government).

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

Accordingly, the Group is compensated with deferred payment income over time in accordance to the Privatisation Agreement. The concession will expire in the year 2028.

(e) Rental income

Rental income is recognised on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2. Summary of accounting policies (cont'd.)

2.18 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all unutilised deductible temporary differences, the carry forward of unabsorbed capital allowance and any unutilised tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unabsorbed capital allowance and unutilised tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2. Summary of accounting policies (cont'd.)

2.18 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.19 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

2.20 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or

- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying accounting policies that have significant effect on the amount recognised in the financial statements during the current financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Property development

The Group and the Company use percentage of completion method to recognise revenue and profit from its property development activities. The amount of revenue and profit recognised are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive at the percentage of completion, the actual number of units sold and the estimated total revenue for each of the respective projects. These areas involve significant judgement and estimates in estimating the total property development costs (which is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group and the Company).

The revenues, cost of sales, carrying amounts of assets and liabilities of the Group and the Company arising from property development activities are disclosed in Notes 4, 5, 15(a) and 15(b).

(b) Fair value adjustments of investment properties

The Group and the Company carry its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group and the Company engaged independent valuation specialists to determine the fair values as disclosed in Notes 14 and 32. The key assumptions in determining the fair values of investment properties, including the sensitivity analysis of key assumptions are disclosed in Note 32.

(c) Allowance for expected credit losses of trade and other receivables and contract assets

When measuring ECL, the Group and the Company use reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Where these assumptions are not readily available, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the effective interest rate.

Significant estimate is required in determining the impairment of trade and other receivables and contract assets. Impairment loss measured based on expected credit loss model is based on assumptions on risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's and the Company's past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period. Details are disclosed in Note 18(c).

4. Revenue

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
<u>Derived from third parties</u>				
Sale of development properties	31,096	64,668	-	-
Concession income	41,408	50,448	-	-
Sale of completed properties	21,987	4,768	-	-
Revenue from construction contracts	2,057	3,667	-	-
Facility management fees	645	425	-	-
Rental income	6,820	5,217	-	-
<u>Derived from related companies</u>				
Management fees from subsidiaries (Note 31(a))	-	-	7,800	3,840
	104,013	129,193	7,800	3,840
Timing and recognition				
Revenue recognised:				
- At a point in time	21,987	4,768	-	-
- Over time	82,026	124,425	7,800	3,840
	104,013	129,193	7,800	3,840

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) as at the reporting date, are as follows:

Group	**2024 RM'000**	**2023 RM'000**
Sale of development properties:		
Within one year	17,778	12,605
More than one year	3,371	2,835
	21,149	15,440

5. Cost of sales

	Group	
	2024 RM'000	**2023 RM'000**
Property development costs (Note 15(b))	18,582	40,747
Costs of completed properties*	(4,401)	3,510
Mall operating expenses	7,136	7,950
Construction cost	1,896	3,375
Consultancy service	1,453	1,569
	24,666	57,151

* Included in the costs of completed properties of the Group, the effects of the reversal of provisions arising from the re-assessment and conclusion of certain legal/adjudication proceedings in relation to claims made by contractors of the Group, amounting to RM20,646,000 (2023: nil).

6. Other operating income

Included in other operating income are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Gain on fair value adjustment of investment securities	3,955	3,866	-	13
Rental income	950	1,324	4	-
Interest income on:				
- subsidiaries companies	-	-	2,727	2,743
- others	602	748	14	22
Distribution income from money market investment securities	988	998	-	2
Gain on fair value adjustment of investment properties (Note 14)	2,160	3,800	-	-
Deposit forfeited	76	136	-	-
Inventories written back	1,815	1,349	-	-
Gain on remeasurement of lease liabilities	-	62	-	62
Unwinding of discounts on other liabilities at amortised costs*	91	44	-	-

* The recognition of time value of money of financial liabilities of the Group which are measured at amortised cost.

7. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Sukuk Murabahah	44,372	52,387	-	-
- bank credit facilities, bank loans and bank overdrafts	4,439	4,707	892	859
- unwinding of discount on other liabilities at amortised costs*	821	701	-	-
- interest on advances from immediate holding company (Note 31(a))	324	353	324	353
Interest expenses on lease liabilities (Note 19(b))	950	1,045	946	1,037
	50,906	59,193	2,162	2,249

* The recognition of time value of money of financial liabilities of the Group which are measured at amortised cost.

8. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
- current year	281	281	85	85
- other service	22	22	10	10
Expected credit losses: (Note 18(c))				
- trade receivables	885	434	240	480
- other receivables	-	1,050	-	221
Depreciation of:				
- property, plant and equipment (Note 13)	532	437	145	94
- right-of-use assets (Note 19(a))	1,915	1,953	1,822	1,822
Amortisation of intangible assets (Note 17)	45	40	40	36
Property, plant and equipment written off	-	4	-	4
Land held for property development written down (Note 15(a))	1,056	-	-	-
Inventories written down	-	360	-	-
Short-term lease payments on:				
- premises (Note 31(a))	-	-	145	243
- equipment (Note 19(c))	83	67	83	54
- others (Note 19(c))	6	38	62	35
Reversal of expected credit losses:				
- trade receivables (Note 18(c))	(796)	(782)	(1,149)	-
- other receivables (Note 18(c))	(1,831)	(27)	(1,570)	(4,460)
Unrealised loss/(gain) on foreign exchange	6,301	(2,373)	6,301	(2,373)

9. Employee benefits expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	9,641	8,608	4,378	3,896
Social security contributions	118	100	47	41
Contributions to defined contribution plan	1,268	1,135	574	510
Provision of short-term accumulating compensated absences (Note 27(d))	331	269	140	98
Other benefits	3,820	3,403	2,302	1,575
	15,178	13,515	7,441	6,120

10. Directors' remuneration

The details of remuneration receivable by directors of the Group and of the Company during the financial year were as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	935	753	663	537
Allowances and other emoluments	188	171	138	94
Total directors' remuneration	1,123	924	801	631

11. Income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statement of profit or loss:				
Current income tax:				
- Malaysian income tax	4,577	7,068	-	-
- (Over)/under provision in prior year	(335)	2,132	-	-
	4,242	9,200	-	-
Deferred tax (Note 20):				
- Relating to reversal of temporary differences	(1,622)	(1,073)	-	-
- Over provision in prior year	-	(726)	-	-
	(1,622)	(1,799)	-	-
Income tax expense	2,620	7,401	-	-

11. Income tax expense (cont'd.)

Reconciliation between tax and accounting profit/(loss)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation of income tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(loss) before tax	6,057	(1,083)	(6,595)	370
Tax expense/(credit) at Malaysian statutory tax rate of 24%	1,454	(260)	(1,583)	89
Different tax rates in other countries	(98)	14	-	-
Adjustments:				
Non-deductible expenses	1,304	3,465	418	290
Income not subject to tax	(2,182)	(2,253)	(794)	(1,074)
Deferred tax assets not recognised	6,775	5,586	1,959	695
Utilisation of previously unrecognised deferred tax assets	(3,977)	(25)	-	-
(Over)/under provision of tax expense in prior years:				
- current income tax	(335)	2,132	-	-
- deferred tax	(19)	(726)	-	-
Deferred tax recognised at different tax rate	(302)	(532)	-	-
Income tax expense recognised in profit or loss	2,620	7,401	-	-

12. Earning/(loss) per share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year attributable to ordinary equity holders of the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the profit/(loss) and share data used in the computation of basic earnings/(loss) per share for the years ended 31 December:

	2024 RM'000	2023 RM'000
Profit/(loss) for the year attributable to owners of the Company used in the computation of basic earnings/(loss) per share	1,807	(9,188)

	Number of Shares	
	2024 '000	2023 '000
Weighted average number of ordinary shares for basic earnings/(loss) per share computation*	316,299	316,299

* The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions and net of treasury shares.

	2024 sen	2023 sen
Basic earnings/(loss) per share	0.57	(2.90)

(b) Diluted

Diluted earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

At the date of this report, the Company has no other dilutive potential ordinary shares. Accordingly, the diluted earnings/(loss) per share is not presented as it is the same as the basic earnings/(loss) per share.

13. Property, plant and equipment

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Office renovation RM'000	Buildings RM'000	Plant and machinery RM'000	Total RM'000
At 31 December 2024						
Cost						
At 1 January 2024	261	4,405	4,254	2,710	16	11,646
Additions	221	187	3	-	-	411
Disposals	-	(9)	-	-	-	(9)
At 31 December 2024	482	4,583	4,257	2,710	16	12,048
Accumulated depreciation						
At 1 January 2024	133	2,612	3,873	580	6	7,204
Recognised in profit or loss (Note 8)	73	317	85	54	3	532
Disposals	-	(9)	-	-	-	(9)
At 31 December 2024	206	2,920	3,958	634	9	7,727
Net carrying amount						
At 31 December 2024	276	1,663	299	2,076	7	4,321
At 31 December 2023						
Cost						
At 1 January 2023	261	3,539	3,898	5,070	16	12,784
Additions	-	888	356	-	-	1,244
Transfer to investment properties	-	-	-	(2,360)	-	(2,360)
Written-off	-	(22)	-	-	-	(22)
At 31 December 2023	261	4,405	4,254	2,710	16	11,646
Accumulated depreciation						
At 1 January 2023	96	2,325	3,851	986	3	7,261
Recognised in profit or loss (Note 8)	37	305	22	70	3	437
Transfer to investment properties	-	-	-	(476)	-	(476)
Written-off	-	(18)	-	-	-	(18)
At 31 December 2023	133	2,612	3,873	580	6	7,204
Net carrying amount						
At 31 December 2023	128	1,793	381	2,130	10	4,442

13. Property, plant and equipment (cont'd.)

Company	Office renovation RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
At 31 December 2024				
Cost				
At 1 January 2024	2,930	-	1,746	4,676
Additions	3	221	103	327
Disposals	-	-	(9)	(9)
At 31 December 2024	2,933	221	1,840	4,994
Accumulated depreciation				
At 1 January 2024	2,777	-	1,419	4,196
Recognised in profit or loss (Note 8)	17	37	91	145
Disposals	-	-	(9)	(9)
At 31 December 2024	2,794	37	1,501	4,332
Net carrying amount				
At 31 December 2024	139	184	339	662
At 31 December 2023				
Cost				
At 1 January 2023	2,766	-	1,609	4,375
Additions	164	-	153	317
Written-off	-	-	(16)	(16)
At 31 December 2023	2,930	-	1,746	4,676
Accumulated depreciation				
At 1 January 2023	2,766	-	1,348	4,114
Recognised in profit or loss (Note 8)	11	-	83	94
Written-off	-	-	(12)	(12)
At 31 December 2023	2,777	-	1,419	4,196
Net carrying amount				
At 31 December 2023	153	-	327	480

(a) During the financial year, the Group and the Company acquired property, plant and equipment amounting to RM411,000 (2023: RM1,244,000) and RM327,000 (2023: RM317,000) respectively, by way of cash payments of RM230,000 (2023: RM1,244,000) and RM146,000 (2023: RM317,000) respectively. The remaining was acquired via hire purchase arrangement as disclosed in Note 28(g).

(b) Included in property, plant and equipment of the Group is one unit (2023: one unit) of terrace shop office with net carrying amount of RM2,076,000 (2023: RM2,130,000) which has been pledged as a fixed charge for term loans and revolving credit facilities as disclosed in Note 28(b).

14. Investment properties

Investment properties comprising shopping mall, terrace shop offices and car park units which are held either to earn rental income or for capital appreciation or for both. The investment properties are classified as Level 3 in the fair value hierarchy as disclosed in Note 32.

At fair value	Shopping mall RM'000	Terrace shop offices RM'000	Car park units RM'000	Total RM'000
Group				
At 1 January 2023	165,100	118,880	7,800	291,780
Transfer from property, plant and equipment (Note (a))	-	1,884	-	1,884
Fair value reserve (Note 26(c))	-	5,866	-	5,866
Fair value adjustments (Note 6)	2,900	900	-	3,800
At 31 December 2023 and 1 January 2024	168,000	127,530	7,800	303,330
Fair value adjustments (Note 6)	2,000	160	-	2,160
At 31 December 2024	170,000	127,690	7,800	305,490
Fair value for financial reporting purposes				
Market value as estimated by the professional external valuers	170,000	127,690	7,800	305,490

(a) Transfer from property, plant and equipment

On 30 April 2023, the Group transferred 1 unit of office building from property, plant and equipment to investment properties due to the change in use.

The following are recognised in the profit or loss in respect of investment properties:

	Group 2024 RM'000	Group 2023 RM'000
Rental income	7,162	5,486
Direct operating expenses (exclude depreciation):		
- income generating investment properties	(7,229)	(8,077)
- non-income generating investment properties	(221)	(135)
Fair value adjustments	2,160	3,800

The following properties have been pledged as security for borrowings:

(i) During the year, 23 units (2023: 23 units) of terrace shop offices are charged as security for term loans and revolving credit facilities as disclosed in Note 28(b), 28(e) and 28(f).

(ii) Shopping mall included in the investment properties has been pledged as security for bank loan as disclosed in Note 28(b).

15. Inventories

	Note	Group 2024 RM'000	Group 2023 RM'000
Non-current			
Land held for property development (at lower of cost and net realisable value)	(a)	27,311	27,514
Current			
Property development cost (at cost)	(b)	45,573	38,346
Properties held for sale (at lower of cost and net realisable value)	(c)	75,998	75,573
		121,571	113,919
Total inventories at the lower of cost and net realisable value		148,882	141,433

(a) Land held for property development

Group	Freehold land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2024			
Cost			
At 1 January 2024	37,146	544	37,690
Addition	-	1,732	1,732
Exchange differences	(1,041)	-	(1,041)
At 31 December 2024	36,105	2,276	38,381
Accumulated write-down to net realisable value			
At 1 January 2024	(10,176)	-	(10,176)
Charged to profit and loss (Note 8)	(1,056)	-	(1,056)
Exchange differences	162	-	162
At 31 December 2024	(11,070)	-	(11,070)
Carrying amount			
At 31 December 2024	25,035	2,276	27,311

15. Inventories (cont'd.)

Group	Freehold land RM'000	Development expenditure RM'000	Total RM'000
At 31 December 2023			
Cost			
At 1 January 2023	36,316	-	36,316
Addition	-	544	544
Exchange differences	830	-	830
At 31 December 2023	37,146	544	37,690
Accumulated write-down to net realisable value			
At 1 January 2023	(9,726)	-	(9,726)
Exchange differences	(450)	-	(450)
At 31 December 2023	(10,176)	-	(10,176)
Carrying amount			
At 31 December 2023	26,970	544	27,514

(b) Property development costs

Group	Freehold land RM'000	Leasehold land (Note (ii)) RM'000	Development expenditure (Note (i)) RM'000	Total RM'000
At 31 December 2024				
Cumulative property development costs				
At 1 January 2024	26,127	42,622	638,151	706,900
Costs incurred during the year	-	345	47,294	47,639
Unsold units transferred to inventories	-	-	(13,436)	(13,436)
At 31 December 2024	26,127	42,967	672,009	741,103
Cumulative costs recognised in profit or loss				
At 1 January 2024				(668,554)
Recognised during the year (Note 5)				(18,582)
Costs transferred to FELDA (Note 15(iii))				(8,394)
At 31 December 2024				(695,530)
Property development costs at 31 December 2024				45,573

15. Inventories (cont'd.)

(b) Property development costs (cont'd.)

Group	Freehold land RM'000	Leasehold land (Note (ii)) RM'000	Development expenditure (Note (i)) RM'000	Total RM'000
At 31 December 2023				
Cumulative property development costs				
At 1 January 2023	26,127	42,390	590,971	659,488
Costs incurred during the year	-	232	47,180	47,412
At 31 December 2024	26,127	42,622	638,151	706,900
Cumulative costs recognised in profit or loss				
At 1 January 2023				(627,807)
Recognised during the year (Note 5)				(40,747)
At 31 December 2023				(668,554)
Property development costs at 31 December 2023				38,346

(i) Development expenditure

Included in development expenditure is the cost to obtain contracts relating to commission fee paid to intermediaries as a result of obtaining property sales contracts. These costs are grouped separately and are charged out to cost of sales based on stage of completion method.

	2024 RM'000	2023 RM'000
As at 1 January	450	665
Cost incurred during the year	1,474	1,759
Recognised during the year	(778)	(1,974)
At 31 December	1,146	450

(ii) Leasehold land included in the property development costs with net carrying amount of RM10,924,000 (2023: RM 10,580,000) has been pledged as security for bridging loan as disclosed in Note 28(d).

(iii) Development costs charged to FELDA

Pursuant to an agreement between the Group and FELDA dated 23 March 2022, the Group had been granted the right to develop land owned by FELDA. The revenues and expenses for units which have been sold for this project are to be shared between the Group and FELDA based on certain agreed percentages. The remaining inventories of completed units remain the assets of the Group as at 31 December 2024 and FELDA would only charged for its share of the costs when sales of the inventories occur.

15. Inventories (cont'd.)

(b) Property development costs (cont'd.)

(iii) Development costs charged to FELDA (cont'd.)

For the current financial year, the portion of the costs to be borne by FELDA of RM8,394,000 has been deducted against FELDA's share of the revenues attributable to this project amounting to RM12,289,000 in determining the amount payable to FELDA. The amount due to FELDA amounting to RM3,220,000 is included in Note 27.

The Group has recognised its share of the net revenue and costs amounting to RM3,072,000 and RM2,099,000 respectively for units which have been sold in the current financial year. The net revenue and costs have been included in the amounts recognised in Note 4 and 5 respectively.

(c) Properties held for sale

	Group	
	2024 RM'000	**2023 RM'000**
At cost	37,284	30,141
At net realisable value	38,714	45,432
	78,998	75,573

Properties held for sale with net carrying amount of RM16,829,000 (2023: RM17,054,000) are charged as security for term loan facilities as disclosed in Note 28(c).

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM16,245,000 (2023: RM3,510,000).

16. Investment in subsidiaries

	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares, at cost	296,710	296,710
Impairment loss on investment in subsidiaries	(166,750)	(166,750)
	129,960	129,960

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Share capital RM'000	Principal place of business/Country of incorporation	Principal activities	Proportion (%) of ownership interest 2024	Proportion (%) of ownership interest 2023	Proportion (%) of ownership interest held by non-controlling interest 2024	Proportion (%) of ownership interest held by non-controlling interest 2023
Encorp Construction & Infrastructure Sdn. Bhd.	50,000	Malaysia	Investment holding and construction project management	100	100	-	-
Encorp Must Sdn. Bhd.	10,000	Malaysia	Investment holding and property project management	100	100	-	-
Encorp Development Pty. Ltd.^	+	Australia	Property development	100	100	-	-
Encorp Facilities Maangement Sdn. Bhd.	750	Malaysia	Facilities management services provider	100	100	-	-

16. Investment in subsidiaries (cont'd.)

(a) Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Share capital RM'000	Principal place of business/Country of incorporation	Principal activities	Proportion (%) of ownership interest		Proportion (%) of ownership interest held by non-controlling interest	
				2024	2023	2024	2023
Subsidiaries of Encorp Construction & Infrastructure Sdn. Bhd.							
Encorp Systembilt Sdn. Bhd.	50,000	Malaysia	Concessionaire to build and transfer teachers' quarters to the Government of Malaysia	100	100	-	-
Encorp Construction & Engineering Sdn. Bhd.	1,000	Malaysia	General trading	100	100	-	-
Encorp Millennium Sdn. Bhd.	250	Malaysia	Investment holding, construction project management and property development	70	70	30	30

16. Investment in subsidiaries (cont'd.)

(a) Details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Share capital RM'000	Principal place of business/Country of incorporation	Principal activities	Proportion (%) of ownership interest 2024	Proportion (%) of ownership interest 2023	Proportion (%) of ownership interest held by non-controlling interest 2024	Proportion (%) of ownership interest held by non-controlling interest 2023
Subsidiaries of Encorp Must Sdn. Bhd.							
Must Ehsan Development Sdn. Bhd.	15,000	Malaysia	Property development	70	70	30	30
Encorp Development Sdn. Bhd.	2,500	Malaysia	Property development	100	100	-	-
Encorp Iskandar Development Sdn. Bhd.	2,750	Malaysia	Property development	100	100	-	-
Encorp Bukit Katil Sdn. Bhd.	@	Malaysia	Property development	100	100	-	-
Encorp Silver Sdn. Bhd.	#	Malaysia	Dormant	100	-	-	-
Subsidiaries of Must Ehsan Development Sdn. Bhd.							
Red Carpet Avenue Sdn. Bhd.	@	Malaysia	Investment holding	100	100	-	-
Encorp Strand Mall Sdn. Bhd.	2,500	Malaysia	Property investment	100	100	-	-
Encorp Parking Sdn. Bhd.	@	Malaysia	Property investment	100	100	-	-

16. Investment in subsidiaries (cont'd.)

(a) Details of the subsidiaries are as follows: (cont'd.)

^ This entity has no statutory audit requirement
+ Represents paid-up capital of one hundred (100) ordinary shares of 1 Australian Dollar each
@ Represents paid-up capital of two (2) ordinary shares at RM1 each
# This entity was incorporated on 15 May 2024 with a paid-up capital of two (2) ordinary shares at RM1 each

(b) Non-controlling interests in subsidiaries

Summarised financial information of Must Ehsan Development Sdn. Bhd. ("MEDSB") and its subsidiaries ("MEDSB Group") and EMLSB which have 30% non-controlling interests that are material to the Group are set out below. The summarised financial information presented below is the amount after incorporating the elimination of inter-company transactions and consolidation adjustments.

(i) Summarised statements of financial position

At 31 December 2024	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Non-current assets	317,883	20,635	338,518
Current assets	127,369	59	127,428
Total assets	445,252	20,694	465,946
Current liabilities	126,911	11,052	137,963
Non-current liabilities	9,660	13,520	23,180
Total liabilities	136,571	24,572	161,143
Net assets	308,681	(3,878)	304,803
Non-controlling interests	92,604	(1,163)	91,441

At 31 December 2023	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Non-current assets	315,667	18,904	334,571
Current assets	133,072	1	133,073
Total assets	448,739	18,905	467,644
Current liabilities	132,546	6,941	139,487
Non-current liabilities	16,006	12,782	28,788
Total liabilities	148,552	19,723	168,275
Net assets	300,187	(818)	299,369
Non-controlling interests	90,056	(245)	89,811

16. Investment in subsidiaries (cont'd.)

(b) Non-controlling interests in subsidiaries (cont'd.)

(ii) Summarised statements of comprehensive income

At 31 December 2024	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Revenue	48,707	-	48,707
Profit/(loss) for the year	8,495	(3,060)	5,435
Profit/(loss) representing total comprehensive income/(loss) attributable to the non-controlling interests	2,548	(918)	1,630

At 31 December 2023	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Revenue	69,577	-	69,577
Profit/(loss) for the year	3,144	(796)	2,348
Profit/(loss) representing total comprehensive income/(loss) attributable to the non-controlling interests	943	(239)	704

(iii) Summarised statements of cash flows

At 31 December 2024	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Net cash generated from operating activities	9,211	35	9,246
Net cash generated from investing activities	1,004	-	1,004
Net cash used in financing activities	(14,783)	-	(14,783)
Net (decrease)/increase in cash and cash equivalents	(4,568)	35	(4,533)
Cash and cash equivalents at beginning of the year	12,147	1	12,148
Cash and cash equivalents at end of the year	7,579	36	7,615

At 31 December 2023	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Net cash used in operating activities	(23,049)	(233)	(23,282)
Net cash generated from investing activities	3,441	-	3,441
Net cash generated from financing activities	1,884	-	1,884
Net decrease in cash and cash equivalents	(17,724)	(233)	(17,957)
Cash and cash equivalents at beginning of the year	29,871	234	30,105
Cash and cash equivalents at end of the year	12,147	1	12,148

17. Intangible assets

Group	Goodwill on consolidation RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 January 2023, 31 December 2023 and 1 January 2024	197,003	2,317	199,320
Additions	-	244	244
At 31 December 2024	197,003	2,561	199,564
Accumulated amortisation			
At 1 January 2023	-	2,165	2,165
Amortisation (Note 8)	-	40	40
At 31 December 2023 and 1 January 2024	-	2,205	2,205
Amortisation (Note 8)	-	45	45
At 31 December 2024	-	2,250	2,250
Accumulated impairment losses			
At 1 January 2023, 31 December 2023 and 31 December 2024	197,003	-	197,003
Net carrying amount:			
At 31 December 2023	-	112	112
At 31 December 2024	-	311	311

Company	Computer software RM'000
Cost	
At 1 January 2023, 31 December 2023 and 1 January 2024	1,548
Additions	244
At 31 December 2024	1,792
Accumulated amortisation:	
At 1 January 2023	1,417
Amortisation (Note 8)	36
At 31 December 2023 and 1 January 2024	1,453
Amortisation (Note 8)	40
At 31 December 2024	1,493
Net carrying amount	
At 31 December 2023	95
At 31 December 2024	299

18. Trade and other receivables

Group	Note	2024 RM'000	2023 RM'000
Current			
Trade receivables			
Amount due from third parties	(a)	22,033	32,294
Retention sum on construction contracts		115	22
Concession income receivables	(b)	105,358	95,372
		127,506	127,688
Expected credit losses	(c)	(1,718)	(1,843)
Trade receivables, net		125,788	125,845
Other receivables			
Amount due from immediate holding company	(d)	53	53
Deposits		5,775	5,722
Sundry receivables		3,107	2,814
		8,935	8,589
Expected credit losses	(c)	(1,124)	(1,124)
Other receivables, net		7,811	7,465
Total current receivables		133,599	133,310
Non-current			
Trade receivables			
Amount due from third parties	(f)	214	-
Concession income receivables	(b)	256,287	361,645
		256,501	361,645
Expected credit losses	(c)	(214)	-
Trade receivables, net		256,287	361,645
Other receivables			
Long term receivables	(e)	47,579	47,579
Expected credit losses	(c)	(45,748)	(47,579)
Other receivables, net		1,831	-
Total non-current receivables, net		258,118	361,645
Total trade and other receivables		391,717	494,955

18. Trade and other receivables (cont'd.)

Company	**Note**	**2024 RM'000**	**2023 RM'000**
Current			
Trade receivables			
Amount due from:			
- third parties	(a)	70	70
- subsidiaries	(d)	6,507	7,515
		6,577	7,585
Expected credit losses	(c)	(3,020)	(3,929)
Trade receivables, net		3,557	3,656
Other receivables			
Amount due from:			
- subsidiaries	(d)	63,027	61,096
- immediate holding company	(d)	53	53
Deposits		696	696
Sundry receivables		103	73
		63,879	61,918
Expected credit losses	(c)	(11,731)	(11,849)
Other receivables, net		52,148	50,069
Total current receivables		55,705	53,725
Non-current			
Other receivables			
Long term receivables			
- third party	(e)	38,320	38,320
- amount due from subsidiaries	(d)	58,282	62,167
		96,602	100,487
Expected credit losses	(c)	(72,352)	(73,804)
Total non-current receivables, net		24,250	26,683
Total trade and other receivables		79,955	80,408

18. Trade and other receivables (cont'd.)

(a) Trade receivables

Ageing analysis of trade receivables

Ageing analysis of the Group's and of the Company's trade receivables from third parties are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	1,820	8,084	-	-
1 to 30 days past due	2,040	6,167	-	-
31 to 60 days past due	1,308	2,327	-	-
61 days to 90 days past due	1,249	1,887	-	-
91 days to 120 days past due	1,939	84	-	-
More than 121 days past due	11,959	11,902	-	-
	20,315	30,451	-	-
Credit impaired				
Individually impaired	1,718	1,843	70	70
	22,033	32,294	70	70

Trade receivables are non-interest bearing and are generally on 7 to 60 days (2023: 7 to 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Concession income receivables

Group	2024 RM'000	2023 RM'000
Concession income receivables:		
Within 1 year	136,779	136,779
More than 1 year and less than 2 years	136,779	136,779
More than 2 years and less than 5 years	148,190	284,970
	421,748	558,528
Unearned income	(60,103)	(101,511)
	361,645	457,017
Concession income receivables analysed as:		
Due within one year	105,358	95,372
Due after one year	256,287	361,645
	361,645	457,017

The Group's normal trade credit term on concession income receivables is 21 days (2023: 21 days). The entire concession income receivables are pledged to the holders of the Sukuk Murabahah as disclosed in Note 28(a).

The entire concession income receivables are due from the Government of Malaysia.

18. Trade and other receivables (cont'd.)

(c) Allowance for expected credit losses

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade and other receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Where these assumptions are not readily available, the expected credit losses is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate.

There has been no change in the estimation techniques or significant assumptions made during the year.

Movement in allowance accounts for trade receivables:

Group	2024 RM'000	2023 RM'000
At 1 January	1,843	2,191
Expected credit losses (Note 8)		
- Individually assessed	885	434
- Reversal of expected credit losses	(796)	(782)
At 31 December	1,932	1,843
Company		
At 1 January	3,929	3,449
Expected credit losses (Note 8)		
- Individually assessed	240	480
- Reversal of expected credit losses	(1,149)	-
At 31 December	3,020	3,929

18. Trade and other receivables (cont'd.)

(c) Allowance for expected credit losses (cont'd.)

Movement in allowance accounts for other receivables:

Group	2024 RM'000	2023 RM'000
At 1 January	48,703	48,180
Expected credit losses (Note 8)		
- Individually assessed	-	1,050
- Reversal of expected credit losses	(1,831)	(27)
Written-off	-	(500)
At 31 December	46,872	48,703

Company	2024 RM'000	2023 RM'000
At 1 January	85,653	89,892
Expected credit losses (Note 8)		
- Individually assessed (Note (i))	-	221
- Reversal of expected credit losses	(1,570)	(4,460)
At 31 December	84,083	85,653

(i) Included in the amounts due from subsidiaries of the Company as at 31 December 2024 is an amount due from Encorp Development Pty. Ltd. ("EDPL") with a net carrying amount of RM15,011,000 (2023: RM18,896,000). The Company performed an impairment review in respect of the amount due from EDPL by comparing the carrying amount of the assets and the present value of estimated future cash flows receivable from EDPL. The accumulated expected credit losses was RM35,483,000 (2023: RM35,483,000).

(d) Amounts due from subsidiaries and immediate holding company

The amounts due from subsidiaries and immediate holding company are unsecured, repayable on demand, and non-interest bearing except for an amount due from subsidiaries of RM45,817,000 (2023: RM45,817,000) which bears interest at rates ranging from 5.86% to 6.00% (2023: 4.73% to 6.00%).

The management of the Group monitors the cash flows and funding requirements of the Company and its subsidiaries on a Group-wide basis. This includes determining the timing and quantum of the repayment of amounts due from and due to subsidiaries and related companies of the Company when required.

As at 31 December 2024 and 31 December 2023, no demand for repayment has been made by the Company for any of the balances due from the subsidiaries or immediate holding company. Considering the nature and terms of these balances, the Company has assessed that there are no amounts which are regarded as past due and no ageing analysis has been presented for these balances.

(e) Long term other receivables were in relation to the amount due from Pembinaan Legenda Unggul Sdn. Bhd. (formerly known as Encorp Construct Sdn. Bhd.).

(f) Long term trade receivables were in relation to the amount due from Geohan Sdn. Bhd..

19. Leases

Group as a lessee

The Group and the Company lease 20 units office premise until June 2031. Lease payments to be increased every 3 years from July 2016 to reflect current market rentals. The Group has also leased 2 units office premise until January 2025.

The Group and the Company also have certain leases of office equipments with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost				
At 1 January	23,078	23,401	22,342	22,852
Additions	-	187	-	-
Remeasurement	-	(510)	-	(510)
At 31 December	23,078	23,078	22,342	22,342
Accumulated depreciation				
At 1 January	9,769	7,816	9,134	7,312
Charge for the financial year (Note 8)	1,915	1,953	1,822	1,822
At 31 December	11,684	9,769	10,956	9,134
Net carrying amount				
At 31 December	11,394	13,309	11,386	13,208

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	16,611	18,598	16,502	18,548
Additions	-	187	-	-
Accretion of interest (Note 7)	950	1,045	946	1,037
Remeasurement	-	(572)	-	(572)
Payments	(2,614)	(2,647)	(2,510)	(2,511)
At 31 December	14,947	16,611	14,938	16,502

19. Leases (cont'd.)

Group as a lessee (cont'd.)

(b) Lease liabilities (cont'd.)

Leases liabilities are payables as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Less than one year	1,863	1,664	1,854	1,564
Non-current				
More than 1 year and less than 2 years	2,035	1,864	2,035	1,855
More than 2 years and less than 5 years	4,665	6,700	4,665	6,700
5 years or more	6,384	6,383	6,384	6,383
Total non-current lease liabilities	13,084	14,947	13,084	14,938
Total lease liabilities	14,947	16,611	14,938	16,502

The maturity analysis of lease liabilities is disclosed in Note 33(b).

(c) Lease payments not recognised as a liability

The Group and the Company had elected not to recognise a lease liability for short-term leases (leases with an expected term of twelve months or less) or for leases of low-value assets. Payments made under such leases are expensed on straight-line basis.

The expenses relating to payments not included in the measurement of the lease liability during the financial year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Expenses relating to short-term leases (Note 8)	6	38	62	35
Expenses relating to leases of low-value assets (Note 8)	83	67	83	54

The Group and the Company had total cash outflows for leases of RM2,709,000 (2023: RM2,752,000) and RM2,655,000 (2023: RM2,600,000) respectively during the financial year.

19. Leases (cont'd.)

Group as a lessor

Operating lease commitments

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between six months to five years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions.

Future minimum rentals receivable under the non-cancellable operating leases as at 31 December are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Not later than 1 year	5,409	4,294
Later than 1 year but not later than 5 years	3,652	3,571
	9,061	7,865

20. Deferred tax

Deferred tax as at 31 December relates to the following:

	As at 1 January 2023 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2023 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2024 RM'000
Group					
Deferred tax liabilities:					
Property, plant and equipment	12	5	17	-	17
Contract assets	130,405	(20,720)	109,685	(22,889)	86,796
Investment properties	3,129	380	3,509	674	4,183
	133,546	(20,335)	113,211	(22,215)	90,996
Deferred tax assets:					
Tax losses and capital allowances	(89,406)	16,443	(72,963)	22,665	(50,298)
Loans and borrowings	(39,759)	2,834	(36,925)	4,651	(32,274)
Provisions and others	(1,479)	(741)	(2,220)	(6,723)	(8,943)
	(130,644)	18,536	(112,108)	20,593	(91,515)
	2,902	(1,799)	1,103	(1,622)	(519)

20. Deferred tax (cont'd.)

Presented after appropriate offsetting as follows:

Group	2024 RM'000	2023 RM'000
Deferred tax assets	(4,702)	(3,688)
Deferred tax liabilities	4,183	4,791
	(519)	1,103

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unutilised tax losses	200,005	186,683	23,874	23,161
Unabsorbed capital allowances	5,600	5,308	3,635	3,422
Other deductible temporary differences	23,039	24,996	10,150	2,915
	228,644	216,987	37,659	29,498

Effective from Year of Assessment 2019, the unutilised tax losses of the Group as at 31 December 2020 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded. The carry forward period for such losses was extended to 10 years based on Finance Act 2021 which was gazetted on 31 December 2021.

The unutilised tax losses and unabsorbed capital allowances of the Group and the Company are available for offsetting against future taxable profits of the respective entities within the Group and the Company, subject to no substantial changes in the shareholdings of those entities under Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Utilisation period				
Indefinite	5,600	5,308	3,635	3,422
Within 4 years from recognition	61,303	-	11,071	-
Within 5 years from recognition	39,616	61,303	2,155	11,071
Within 6 years from recognition	15,939	39,616	1,062	2,155
Within 7 years from recognition	17,664	15,939	1,880	1,062
Within 8 years from recognition	25,020	17,664	2,748	1,880
Within 9 years from recognition	27,141	25,020	4,245	2,748
Within 10 years from recognition	13,372	27,141	713	4,245
	205,605	191,991	27,509	26,583

21. Other investments

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Current					
Amortised cost					
Amount placed with a financial services advisory firm	(a)	4,645	4,645	-	-
Provision for impairment	(a)	(4,645)	(4,645)	-	-
		-	-	-	-
Fair value through profit or loss					
Money market investment securities	(b)	141,451	138,145	2	42
		141,451	138,145	2	42

(a) This was related to a principal amount of AUD1.5 million placed by a foreign subsidiary of the Group for a period of 24 months, which matured in 2021. The investment was expected to earn an interest at a fixed rate of 15% per annum.

This balance has been impaired in the year 2020 as the Group had not recovered this amount despite having submitted the request for the liquidation and redemption of this balance. The Group has also initiated legal proceedings against the financial advisory services firm involved for the recovery of this balance. The legal proceedings for the recovery of this balance are ongoing.

(b) The investment securities are restricted investment scheme in the short-term money market instruments and deposit placements with an option to roll over the investments placed with licensed fund managers.

The income received from the investment securities shall where necessary, be remitted into the Escrow Account to meet the payment obligations arising from the Sukuk Murabahah as disclosed in Note 28(a).

22. Contract assets/(liabilities)

	Note	Group 2024 RM'000	Group 2023 RM'000
Contract assets			
Property development	(a)	8,041	11,182
Construction contract	(b)	2,271	2,881
		10,312	14,063
Contract liabilities			
Property development	(a)	(10,786)	(7,896)
Construction contract	(b)	(262)	(159)
		(11,048)	(8,055)

22. Contract assets/(liabilities) (cont'd.)

(a) Contract assets/(liabilities) from property development

Group	2024 RM'000	2023 RM'000
Contract assets		
Accrued billings	8,041	11,182
Contract liabilities		
Progress billings	(10,786)	(7,896)
	(2,745)	3,286

Set out below are the carrying amounts of contract assets recognised and the movements during the year:

Group	2024 RM'000	2023 RM'000
Contract assets		
At 1 January	3,286	3,512
Revenue recognised during the year	66,564	70,694
Progress billings during the year	(72,595)	(70,920)
At 31 December	(2,745)	3,286

(b) Contract assets/(liabilities) from construction contract

Group	2024 RM'000	2023 RM'000
Contract assets		
Accrued billings	2,271	2,881
Contract liabilities		
Progress billings	(262)	(159)
	2,009	2,722

Set out below are the carrying amounts of contract assets recognised and the movements during the year:

Group	2024 RM'000	2023 RM'000
At 1 January	2,722	123
Revenue recognised during the year	34,800	3,651
Progress billings during the year	(35,513)	(1,052)
At 31 December	2,009	2,722

The directors of the Group measure the loss allowance on amounts due from customers at an amount equal to lifetime expected credit losses, taking into account the historical default experience and the future prospects of the respective industry. There was no impairment loss recognised on contract asset at the end of the reporting period.

The management monitors the movement of the contracts assets balance and there is no balance which is assessed as past due or is to be impaired.

23. Other current assets

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Prepayments	781	570	427	203
Consideration payable to customers	412	161	-	-
	1,193	731	427	203

Included in the consideration payable to customers are the cost for sales and purchase agreements as a result of entering into contract with customers.

24. Cash and cash equivalents

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash and bank balances	(a)	16,789	15,273	747	276
Deposits with licensed banks	(b)	975	1,049	-	-
Deposits, cash and bank balances	(c)	17,764	16,322	747	276
Less: Deposits with tenure of more than 3 months		(975)	(1,049)	-	-
Cash and cash equivalents		16,789	15,273	747	276

(a) Included in cash at bank of the Group is an amount of RM2,548,000 (2023: RM7,089,000) held pursuant to Section 7A of the Housing and Development (Control & Licensing) Act, 1966 and RM12,000 (2023: RM 66,000) held pursuant to Section 7 of the Housing (Control and Licensing of Development) Enactment, 1978 and restricted from use in other operations.

(b) The deposits with licensed banks amounting to RM940,000 (2023: RM1,014,000) of the Group are pledged to banks as securities for credit facilities granted to subsidiaries.

(c) Cash at bank and on hand of the Group include an amount of RM48,000 (2023: RM59,000) maintained in Escrow Account and Finance Service Reserve Account to meet the payment obligations arising from the Sukuk Murabahah as disclosed in Note 28(a).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between 1 month to 12 months, depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective deposit rates. As at reporting date, the effective interest rates of deposits of the Group and of the Company range from 2.45% to 4.00% (2023: 1.75% to 2.75%) per annum respectively.

25. Share capital and treasury shares

	Group and Company			
	Number of ordinary		Amount	
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid) RM'000	Treasury shares RM'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	316,684,717	(386,000)	399,016	(327)

25. Share capital and treasury shares (cont'd.)

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

As at 31 December 2024, the Company held as treasury shares a total of 386,000 of its 316,684,717 (2023: 316,684,717) issued ordinary shares. Such treasury shares are held at a carrying amount of RM326,731.

26. Other reserves

	Note	2024 RM'000	2023 RM'000
Foreign currency translation reserve	(a)	3,325	(917)
Capital contribution reserve	(b)	23,172	23,172
Fair value reserve	(c)	5,866	5,866
		32,363	28,121

(a) Foreign currency translation reserve

	Group RM'000
At 1 January 2023	717
Foreign currency translation	(1,634)
At 31 December 2023 and 1 January 2024	(917)
Foreign currency translation	4,242
At 31 December 2024	3,325

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

(b) Capital contribution reserve

A subsidiary of the Group, Encorp Bukit Katil Sdn. Bhd. ("EBKSB") had on 20 January 2016 entered into a Master Development Agreement with FELDA, the ultimate holding body, in which EBKSB accepts the development rights for the development of one (1) plot of leasehold land measuring approximately 640.98 acres held at Mukim Bukit Katil, District of Melaka Tengah in Melaka for a total cash consideration of RM583,600,000.

The capital contribution reserve represents the amount waived by FELDA of RM23,172,000 pursuant to a settlement agreement entered into between FELDA and EBKSB to discharge EBKSB's obligation on the land to FELDA for the Master Development Agreement.

(c) Fair value reserve

The fair value reserve represents the gain on revaluation arising from transfer of office building from property, plant and equipment to investment properties due to change in use.

27. Trade and other payables

Group	Note	2024 RM'000	2023 RM'000
Current			
Trade payables			
Amount due to:			
- third parties	(a)	13,821	14,295
Retention sum on construction contracts		10,907	16,221
Land proprietor	(b)	1,620	1,620
Total trade payables		26,348	32,136
Other payables			
Amount due to:			
- ultimate holding company		3,220	-
- immediate holding company	(c)	5,337	6,113
Sundry payables		18,107	17,878
Provision for short-term accumulating compensated absences	(d)	331	269
Other accruals		47,363	36,552
Total other payables		74,358	60,812
Total current trade and other payables		100,706	92,948
Non-current			
Trade payables			
Land proprietor	(b)	1,526	1,399
Non-controlling interests of a subsidiary	(f)	13,520	12,782
Total non-current trade payables		15,046	14,181
Total trade and other payables		115,752	107,129

Company	Note	2024 RM'000	2023 RM'000
Current			
Trade payables			
Amount due to third party	(a)	8	8
Other payables			
Amount due to:			
- subsidiaries	(e)	43,071	38,138
- immediate holding company	(c)	5,337	6,113
Sundry payables		5,630	5,443
Provision for short-term accumulating compensated absences	(d)	140	98
Other accruals		8,077	5,701
Total other payables		62,255	55,493
Total trade and other payables		62,263	55,501

27. Trade and other payables (cont'd.)

(a) The trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from 14 to 60 days (2023: 14 to 60 days).

In the prior years, certain subsidiaries of the Group had commenced arbitration proceedings in relation to claims made against certain contractors which were involved in the property development projects of the Group. These contingent assets have not yet been recognised in the financial statements as at 31 December 2024, pending the outcome of the arbitration proceedings.

In addition, no incremental provisions have been recognised in relation to counter-claims by these contractors, as the Group has assessed, in consultation with its legal advisors that it is probable that the Group would be successful in its defense against these claims.

(b) These are amounts due in relation to the purchase of 1.6 acres of land at Bukit Kepayan, Kota Kinabalu. The outstanding amount is repayable progressively in tandem with the progress of construction work or drawdown of financing facility.

(c) Amount due to immediate holding company is unsecured, repayable on demand and bears interest rate of 5.08% (2023: 5.08%) except for an amount of RM4,570,000 (2023: RM5,670,000) which bears interest rate of 6.00% (2023: 6.00%).

(d) The movement of provision for short-term accumulating compensated absences is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
At beginning of financial year	269	245	98	82
Recognised in profit or loss (Note 9)	331	269	140	98
Utilised during the year	(269)	(245)	(98)	(82)
At end of financial year	331	269	140	98

(e) The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

(f) These are amounts due in relation to the purchase of a piece of 4.97 acres freehold development land in Daerah Kuatan, Pahang. The outstanding amount is repayable progressively in tandem with the sales collection of properties from the said land.

28. Loans and borrowings

		Group		Company	
	Note	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current					
Secured:					
Sukuk Murabahah	(a)	101,605	92,813	-	-
Term loan 1	(b)	-	15,287	-	-
Term loan 2	(c)	8,225	9,258	-	-
Bridging loan	(d)	1,667	1,250	-	-
Revolving credit 1	(b)	12,500	12,500	-	-
Revolving credit 2	(e)	15,000	15,000	15,000	15,000
Revolving credit 3	(f)	19,704	19,200	-	-
Hire purchase	(g)	37	-	37	-
Total current loans and borrowings		158,738	165,308	15,037	15,000

28. Loans and borrowings (cont'd)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current					
Secured:					
Sukuk Murabahah	(a)	299,753	401,358	-	-
Term loan 1	(b)	-	-	-	-
Bridging loan	(d)	2,083	3,750	-	-
Hire purchase	(g)	126	-	126	-
Total non-current loans and borrowings		301,962	405,108	126	-
Total loans and borrowings		460,700	570,416	15,163	15,000

The remaining maturities of loans and borrowings as at 31 December are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
On demand or within one year	158,737	165,308	15,037	15,000
More than 1 year and less than 2 years	112,231	103,272	38	-
More than 2 years and less than 5 years	189,732	301,836	88	-
	460,700	570,416	15,163	15,000

(a) Sukuk Murabahah

The weighted average effective interest rates of borrowings as at the reporting date is 9.72% (2023: 9.72%) per annum.

A subsidiary of the Group, Encorp Systembilt Sdn. Bhd. had on 18 May 2012 issued Islamic Securities of Sukuk Murabahah ("Sukuk") based on the Shariah principle of Murabahah via a Tawarruq arrangement with a total nominal value of RM1.575 billion. The Sukuk was issued for the following purposes:

(i) to refinance all of the amounts outstanding under the existing Al-Bai' Bithaman Ajil Notes Issuance Facilities which had previously been issued to finance the planning, design, construction and completion of 10,000 units of teachers' quarters for the Government of Malaysia;

(ii) to fund the Trustees' Reimbursement Account; and

(iii) the balance, for the subsidiary's general corporate expenses which includes payments to defray expenses incurred in relation to the issuance of the Sukuk and a one-time dividend payment to its immediate holding company.

28. Loans and borrowings (cont'd)

(a) Sukuk Murabahah (cont'd)

The Sukuk has a tenure of up to 16 years and matures on 18 May 2028. The principal amount of the Sukuk is divided into 31 tranches and redeemable semi-annually. The yield to maturity ranges from 8.37% to 10.44% per annum, and is repayable half yearly.

The Sukuk is secured over the following:

(i) assignment of the concession payments in respect of 10,000 units of teachers' quarters under the Privatisation Agreement dated 9 February 1998 between the Government of Malaysia and the subsidiary;

(ii) a debenture to create a first ranking fixed and floating charge over all present and future assets of the subsidiary; and

(iii) first ranking charge and assignment of the designated accounts which include:

- an Escrow Account in which all the payments from the Government of Malaysia pursuant to the Privatisation Agreement and all other income, revenue or proceeds received by the subsidiary (save for proceeds from the Sukuk) are to be deposited and shall be operated solely by the Security Trustee; and

- a Finance Service Reserve Account utilised solely for the profit payments under the Sukuk falling due and payable and shall be solely operated by the Security Trustee.

The major covenants that are required to be complied by the subsidiary are as follows:

(i) to maintain a Finance Service Cover Ratio of at least 1.20 times throughout the tenure of the Sukuk Murabahah to be duly confirmed by the external auditors based on the latest audited financial statements on an annual basis; and

(ii) to maintain an amount equivalent to the next immediate profit payment in the Finance Service Reserve Account at least three (3) months prior to such profit payment due date.

(b) Term loan 1 and revolving credit 1

Term loan 1 is at bank's one-month effective cost of funds + 3.50% (2023: cost of funds + 3.50%) per annum. Revolving credit 1 of RM12.5 million is at effective cost of funds + 2.75% (2023: cost of funds + 2.75%) per annum.

These loans are secured by a fixed charge over the Group's one unit (2023: one unit) of terrace shop office recognised as property, plant and equipment as disclosed in Note 13, three units (2023: three units) of terrace shop offices recognised as investment properties as disclosed in Note 14, shopping mall included in investment properties as disclosed in Note 14, assignment over the project account and debenture over fixed and floating charge.

The term loan 1 is fully repaid on 5 November 2024.

(c) Term loan 2

The term loan 2 is at 5.61% (2023: 5.61%) per annum. The loan is secured by three penthouse units located at Western Australia as disclosed in Note 15(c), freehold land as disclosed in Note 15(a) and corporate guarantee provided by the Company and a deed of subordination. In addition, the loan is secured by additional fixed deposit as disclosed in Note 24(b).

(d) Bridging loan

The Bridging loan is at effective cost of funds + 1.75% per annum.

The loan is secured by Legal Charge over the land held under Town Lease No. 017549665, Jalan Kapayan, Kota Kinabalu, Sabah measuring approximately 0.647 hectares (1.60 acres) and corporate guarantee provided by the Company. The facility was secured via the legal charge and assignment over the Finance Service Reserve Account ("FSRA").

28. Loans and borrowings (cont'd.)

(e) Revolving credit 2

Revolving credit is at cost of funds + 2% per annum. Five units (2023: five units) of terrace shop offices have been charged for the revolving credit facility 2 as disclosed in Note 14.

(f) Revolving credit 3

Revolving credit is at cost of funds + 1.25% per annum. Fifteen units (2023: fifteen units) of terrace shop offices have been charged for the revolving credit facility 3 as disclosed in Note 14 and assignment over the sales proceeds of the Housing Development Account. During the current year, the facility was secured via the legal charge and assignment over the FSRA.

(g) Hire purchase

During the year, a hire purchase of RM199,000 at an annual interest rate of 2.44% over five years was obtained for the purchase of a new motor vehicle, as disclosed in Note 13.

29. Other current liabilities

		Group	
Current	**Note**	**2024 RM'000**	**2023 RM'000**
Provision for Liquidated and Ascertained Damages	(a)	3,823	3,823

(a) Provision for Liquidated and Ascertained Damages

The provision is in respect of the estimated liquidated and ascertained damages payable arising from the property development projects undertaken by the Group.

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January/31 December	3,823	3,823

The Group is involved in certain legal cases involving claims for compensation for the late delivery and the specific performance for the construction of certain public infrastructure relating to a completed property development project of the Group. No incremental provisions have been made in relation to these claims in the current and prior years, as the Group has assessed, in consultation with its legal advisors, that it is probable that the Group would be successful in defending these claims.

30. Financial guarantees

The Company has provided the following guarantees at the reporting date.

Corporate guarantees given to banks of RM8,225,000 (2023: RM9,258,000) for credit facilities granted to subsidiaries.

The management has assessed and concluded that there is no indication that the corporate guarantees would crystalise and no provision for expected credit loss has been provided on these guarantees as the borrowings are also secured over the inventories and other inventories of the subsidiaries. Consequently, the fair value of the corporate guarantees is assessed as nil.

31. Significant related party transactions

(a) Sales and purchases of goods and services

In addition to transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Group		**2024 RM'000**	**2023 RM'000**
Interest charged on advances from immediate holding company (Note 7)		324	353
Company			
Management fees from subsidiaries (Note 4)	(i)	(7,800)	(3,840)
Rental payable to subsidiary (Note 8)	(ii)	145	243
Interest charged to subsidiaries		(129)	(156)
Coupon payable on Redeemable Convertible Secured Loan Stocks ("RCSLS") charged to subsidiary	(iii)	(2,598)	(2,587)

(i) The rendering of services to subsidiaries have been entered into in the normal course of business and are repayable at negotiated terms.

(ii) The rental payable to the subsidiary has been entered into in the normal course of business and is repayable at negotiated term.

(iii) The coupon payable on RCSLS charged to MEDSB is in relation to the interest on RCSLS proceed advanced to MEDSB for its current projects.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 18 and 27.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

	Group		**Company**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Salaries and other emoluments	849	689	849	689
Contributions to defined contribution plans	117	96	117	96
Other staff related expenses	128	107	128	107
	1,094	892	1,094	892

32. Fair value measurements

Fair value hierarchy

The Group's and the Company's financial instruments are analysed in a three level fair value hierarchy based on the significance of inputs.

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3
Input for the asset or liability that are not based on observable market data (unobservable input).

There is no transfer between Level 1, 2 and 3 during the financial year.

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2024				
Investment properties (Note 14):				
- Shopping mall	-	-	170,000	170,000
- Terrace shop office	-	-	127,690	127,690
- Car park units	-	-	7,800	7,800
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	141,451	-	141,451
	-	141,451	305,490	446,941
At 31 December 2023				
Investment properties (Note 14):				
- Shopping mall	-	-	168,000	168,000
- Terrace shop office	-	-	127,530	127,530
- Car park units	-	-	7,800	7,800
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	138,145	-	138,145
	-	138,145	303,330	441,475
Company				
At 31 December 2024				
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	2	-	2
At 31 December 2023				
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	42	-	42

32. Fair value measurements (cont'd.)

Description of valuation techniques used and key inputs to valuation on investment properties measured at level 3:

Property category	Valuation technique	Significant unobservable inputs	Range
At 31 December 2024			
Terrace shop office	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	2.5%-5%
Shopping mall	Investment method	Estimated rental rates Outgoings Allowance for void Reversionary yield rates Term yield rates	RM1.80 to RM8.50 psf RM1.80 psf 15% 4.8% 4.5%
Car park units	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	Adjusted range of RM15,242 – RM19,873 per bay
	Investment method	Estimated rental rates Outgoings Allowance for void Capitalisation rate	RM132 per bay/month 25% 10% 6.5%
At 31 December 2023			
Terrace shop office	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	2.5%-5%
Shopping mall	Investment method	Estimated rental rates Outgoings Allowance for void Reversionary yield rates Term yield rates	RM1.80 to RM8.50 psf RM1.80 psf 15% 4.8% 4.5%
Car park units	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	Adjusted range of RM15,242 – RM19,873 per bay
	Investment method	Estimated rental rates Outgoings Allowance for void Capitalisation rate	RM136 per bay/month 25% 10% 6.5%

32. Fair value measurements (cont'd.)

Terrace shop offices

In arriving at the market value, the valuer adopted the market comparison method. This method of valuation seeks to determine the value of the property being valued by comparing and adopting recent transactions and sale evidence involving other similar properties in the viciniity as a yardstick. Due considerations are given for such factors including location, plot size, land usage, tenure and proximity to the main road.

Shopping mall

The fair values were determined based on the capitalisation of net income method (“investment method”) and is premised on the principle that the value of an income-producing property is represented by the “present worth of future rights to income, or utility”. The values estimated under this method are derived by ascertaining the market rent of the properties ("estimated rental rates"), deducting all reasonable annual operating expenses ("outgoings") (as would be experienced under typical management) and then capitalising the resultant net operating income by an appropriate rate ("reversionary yield rates") of capitalisation to obtain the present value of the income stream. In undertaking their assessment of the value using this approach, the market rental income and expected future rental income are taken into consideration. In arriving at the net income, the outgoings i.e. quit rent, assessment, insurance coverage, repairs and maintenance and management, are deducted from gross rental income together with allowance for void ("allowance for void").

Car park units

In arriving at the market value, the valuer adopted comparison approach and income approach by investment method.

The comparison approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value.

Income approach by investment method involved capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.

Sensitivity analysis for fair value of the shopping mall

The following table demonstrates the sensitivity of the fair value and the impact to the profit and loss to the changes in estimated rental rate, outgoings, allowance for void, reversionary yield rate and term yield rate with all other variables held constant.

		2024 Increase/(decrease) loss net of tax RM’000	2023 Increase/(decrease) loss net of tax RM’000
Estimated rental rates	+ 10%	25,000	15,600
	- 10%	(26,000)	(15,600)
Outgoings	+ 10%	(9,000)	(8,500)
	- 10%	8,000	8,500
Allowance for void	+ 10%	(9,000)	(8,500)
	- 10%	8,000	8,500
Reversionary yield rates	+ 1%	(28,000)	(27,100)
	- 1%	38,000	38,600
Term yield rates	+ 1%	(500)	(100)
	- 1%	400	100

32. Fair value measurements (cont'd.)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (non-current and current)	18
Other investments	21
Cash and cash equivalents	24
Trade and other payables (excluding provision) (non-current and current)	27
Loans and borrowings (non-current and current)	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

Amounts due from/to related parties, finance lease obligations and loans and borrowings

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed was to default.

Detail is as disclosed in Note 30.

Categories of financial instrument:

Group	Note	2024 RM'000	2023 RM'000
Financial assets			
At amortised costs:			
Trade and other receivables	18	391,717	494,955
Cash and cash equivalents	24	17,764	16,322
At fair value through profit or loss:			
Other investments	21	141,451	138,145

32. Fair value measurements (cont'd.)

Categories of financial instrument: (cont'd.)

Group (cont'd.)	**Note**	**2024 RM'000**	**2023 RM'000**
Financial liabilities			
At amortised costs:			
Trade and other payables (excluding provision)	27	115,421	106,860
Loans and borrowings	28	460,700	570,416
Company			
Financial assets			
At amortised costs:			
Trade and other receivables	18	79,955	80,408
Cash and cash equivalents	24	747	276
At fair value through profit or loss:			
Other investments	21	2	42
Financial liabilities			
At amortised costs:			
Trade and other payables (excluding provision)	27	62,123	55,403
Loans and borrowings	28	15,163	15,000

33. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks which are executed by the Risk Management Committee. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from sales made on deferred credit terms. For other financial assets (including cash and cash equivalents and short-term investment), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

All trade and other receivables and contract assets are subject to impairment review at the end of the reporting period. The collateral mitigates credit risk and would reduce the extent of impairment allowance for the assets subject to impairment review.

33. Financial risk management objectives and policies (cont'd.)

(a) Credit risk management (cont'd.)

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

The details of the financial guarantees provided by the Company to its subsidiaries and the assessment of the expected credit loss and fair values are disclosed in Note 30.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

Group	2024		2023	
	RM'000	% of total	RM'000	% of total
By industry sectors				
Concessionaire sector	361,645	94%	457,017	93%
Property development sector	19,658	5%	29,557	6%
Investment property *	2,091	1%	2,446	0%
Other sector *	399	0%	313	0%
	383,793	100%	489,333	100%

* Less than 1% of total receivables

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired as disclosed in Note 18. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) Liquidity risk management

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

33. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk management (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 31 December 2024				
Financial liabilities				
Trade and other payables (excluding provision)	88,014	300,007	-	388,021
Loans and borrowings	197,863	343,876	-	541,739
Lease liabilities	2,709	11,537	3,780	18,026
Total undiscounted financial liabilities	288,586	655,420	3,780	947,786
At 31 December 2023				
Financial liabilities				
Trade and other payables (excluding provision)	76,458	32,841	-	109,299
Loans and borrowings	214,273	482,019	-	696,292
Lease liabilities	2,614	11,206	6,840	20,660
Total undiscounted financial liabilities	293,345	526,066	6,840	826,251
Company				
At 31 December 2024				
Financial liabilities				
Trade and other payables (excluding provision)	62,123	-	-	62,123
Loans and borrowings	15,930	139	-	16,069
Lease liabilities	2,700	11,537	3,780	18,017
Total undiscounted financial liabilities	80,753	11,676	3,780	96,209
At 31 December 2023				
Financial liabilities				
Trade and other payables (excluding provision)	55,403	-	-	55,403
Loans and borrowings	15,859	-	-	15,859
Lease liabilities	2,510	11,198	6,840	20,548
Total undiscounted financial liabilities	73,772	11,198	6,840	91,810

33. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group adopts a policy of constantly monitoring movements in interest rates. Presently, it does not use derivative financial instruments to hedge its interest rate risk.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's loss net of tax would have been RM63,000 (2023: RM48,000) higher/lower, arising mainly as a result of lower/higher net of interest received from the floating rate other investment and deposit with loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group holds cash and cash equivalents and other investments denominated in foreign currency for working capital purposes. At the reporting date, such foreign currency balances (mainly in Australian Dollar ("AUD")) amounted to RM987,648 (2023: RM1,207,147) for the Group.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currency that match the future revenue stream to be generated from its investment.

The Group is also exposed to currency translation risk arising from its net investments in foreign operation in Australia. The Group's net investments in Australia is not hedged as it is considered to be long-term in nature.

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to a reasonably possible strengthening in the AUD exchange rates against the functional currency of the Group, with all other variables held constant.

	Group	
	2024 Increase/(decrease) profit net of tax RM'000	2023 Increase/(decrease) loss net of tax RM'000
AUD/RM		
- strengthened 11% (2023: 5%)	181	(12)
- weakened 11% (2023: 5%)	(181)	12

There is no impact on the equity of the Group and the Company arising from a reasonably possible change in the exchange rate.

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the return of capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio to not more than 100%. The Group includes within net debt, loans and borrowings (excluding Sukuk), trade and other payables, lease liabilities less cash and cash equivalents, fixed deposits and investment securities. Capital includes equity attributable to the owners of the Company and non-controlling interest.

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans and borrowings	28	460,700	570,416	15,163	15,000
Trade and other payables	27	115,752	107,129	62,263	55,501
Lease liabilities	19(b)	14,947	16,611	14,938	16,502
Less:					
Sukuk Murabahah	28	(401,358)	(494,171)	-	-
Other investments	21	(141,451)	(138,145)	(2)	(42)
Cash and cash equivalents	24	(17,764)	(16,322)	(747)	(276)
Net debt		30,826	45,518	91,615	86,685
Equity attributable to the owners of the Company		335,027	328,980	131,075	137,669
Non-controlling interests		94,560	89,811	-	-
Total capital		429,587	418,791	131,075	137,669
Capital and net debt		460,413	464,309	222,690	224,354
Gearing ratio		7%	10%	41%	39%

The Sukuk Murabahah has been excluded from the computation above as the Sukuk is secured over security as disclosed in Note 28(a) and the Sukuk do not have any financial recourse to the Group.

35. Segment information

For management purposes, the Group is organised into six main business units based on their products, and has six reportable operating segments as follows:

(i) Investment holding and the provision of management services;

(ii) Concessionaire;

(iii) Construction;

(iv) Property development;

(v) Investment property; and

(vi) Others - trading of building materials and provision of facilities management.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business.

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2024									
Revenue									
External customers	-	41,408	53,083	6,820	2,057	645	-		104,013
Inter-segment	12,071	-	-	1,213	34,079	-	(47,363)	A	-
Total revenue	12,071	41,408	53,083	8,033	36,136	645	(47,363)		104,013
Results:									
Interest income and distribution income	2,754	4,898	10,890	19	18	2	(13,036)		5,545
Interest expense	(2,162)	(44,372)	(6,999)	(10,253)	(146)	(20)	13,046		(50,906)
Depreciation and amortisation	(2,017)	(3)	(314)	(149)	(66)	(13)	70		(2,492)
Rental income	4	-	928	18	-	-	-		950
Other non-cash income	2	188	144	27	46	717	(678)	B	446
Fair value gain on investment property	-	-	-	2,160	-	-	-		2,160

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2024 (cont'd.)									
Results: (cont'd.)									
Inventories written back	-	-	1,815	-	-	-	-		1,815
Land held for property development written down	-	-	(1,056)	-	-	-	-		(1,056)
Segment (loss)/profit	(8,768)	1,094	4,848	(9,322)	(147)	269	15,463		3,437
Assets:									
Additions to non-current assets	331	4	1,781	20	7	-	-	C	2,143
Segment assets	259,413	504,826	554,459	346,621	25,980	58,689	(712,278)	D	1,037,710
Segment liabilities	127,001	401,470	293,869	426,803	37,236	21,413	(696,552)	E	611,240

* Inclusive entities in facilities management, general trading and property investment.

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2023									
Revenue									
External customers	-	50,448	69,436	5,217	3,667	425	-		129,193
Inter-segment	5,925	-	-	1,060	8,314	-	(15,299)	A	-
Total revenue	5,925	50,448	69,436	6,277	11,981	425	(15,299)		129,193
Results:									
Interest income and distribution income	2,799	4,777	10,920	7	5	6	(12,902)		5,612
Interest expense	(2,249)	(52,387)	(7,278)	(10,158)	(20)	(23)	12,922		(59,193)
Depreciation and amortisation	(1,961)	(3)	(248)	(206)	-	(95)	83		(2,430)
Rental income	-	-	1,324	-	-	-	-		1,324
Other non-cash income	4,526	156	172	50	8	-	(4,460)	B	452
Fair value gain on investment property	-	-	-	3,800	-	-	-		3,800

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2023 (cont'd.)									
Results: (cont'd.)									
Inventories written down	-	-	(360)	-	-	-	-		(360)
Segment (loss)/profit	(20,173)	2,929	(15,677)	(10,825)	(1,252)	(2,827)	39,341		(8,484)
Assets:									
Additions to non-current assets	324	4	990	451	19	-	-	C	1,788
Segment assets	253,899	598,567	548,876	336,496	8,476	57,000	(672,604)	D	1,130,710
Segment liabilities	112,793	495,502	298,548	403,389	17,902	21,688	(637,903)	E	711,919

* Inclusive entities in facilities management, general trading and property investment.

35. Segment information (cont'd.)

A Inter-segment revenues were eliminated on consolidation.

B Other material non-cash income consist of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM'000	2023 RM'000
Other Income-purchasers related income		154	153
Other income		292	299
		446	452

C Additions to non-current assets consist of:

	Note	2024 RM'000	2023 RM'000
Property, plant and equipment	13	411	1,244
Land held for property development	15(a)	1,732	544
		2,143	1,788

D The following items were added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Note	2024 RM'000	2023 RM'000
Deferred tax assets	20	4,702	3,688
Tax recoverable		173	180
Inter-segment assets		(717,153)	(676,472)
		(712,278)	(672,604)

E The following items were added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Note	2024 RM'000	2023 RM'000
Current tax payable		787	1,094
Deferred tax liabilities	20	4,183	4,791
Inter-segment liabilities		(701,522)	(643,788)
		(696,552)	(637,903)

35. Segment information (cont'd.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	104,013	129,193	330,757	326,787
Australia	-	-	6,676	8,611
	104,013	129,193	337,433	335,398

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Note	2024 RM'000	2023 RM'000
Property, plant and equipment	13	4,321	4,442
Intangible assets	17	311	112
Investment properties	14	305,490	303,330
Land held for property development	15(a)	27,311	27,514
		337,433	335,398

36. Comparative information

Certain comparative information has been reclassified to conform with the current year presentation.

LIST OF PROPERTIES

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Completed Investment Properties				
Warna Avenue	29 units terrace shop offices	18,124	136,460	2013
Strand Mall	4 storey retail podium including a basement car park and 4 levels of car park located above the retail podium	22,445	170,000	2013
Garden Office, Kota Damansara, Selangor Darul Ehsan on PN 96661, Lot 53635, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	516 units of car park bay (99 years lease expiring on 14/11/2107)	6,136	7,800	2021

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Inventories - Properties Held For Sale				
Garden Office, Kota Damansara, Selangor Darul Ehsan on PN 96661, Lot 53635, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	1 unit of office suites (99 years lease expiring on 14/11/2107)	96	299	2000
PN 83359 Lot 5427 & PN 83360 Lot 5428, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Residential properties (99 years lease expiring on 28/03/2104)	922	74	2000
PN 117612 Lot 53634 , Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	30 units of residential apartment & 71 units of car park bay (99 years lease expiring on 14/11/2107)	5,048	25,428	2000
PN 82706 Lot 4775, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	1 unit of residential properties (99 years lease expiring on 30/03/2104)	178	582	2000
PN 82016 Lot 4149, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	1 unit of residential properties (99 years lease expiring on 22/03/2104)	292	539	2000
No Hakmilik 509608, Lot 194438, Mukim Pulai, Daerah Johor Bahru, Johor	13 units of residential apartment, 12 units of retail & 316 units of car park bay (freehold land)	6,980	20,925	2012
PN 82651 Lot 4714, PN 82663 Lot 4728, PN 83755 Lot 4739 & PN 82678 Lot 4750 Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	4 units of residential properties (99 years lease expiring on 28/03/2104 & 30/03/2104)	1,070	2,971	2000

PT 4202 - 4204, 4208 - 4209, 4212 - 4213, 4215, 4217, 4221 - 4224, 4226, 4227 - 4229, 4234, 4236, 4238 - 4239, 4241 - 4242, 4244, 4246, 4253 -4254, 4256 - 4257, 4260 - 4261, 4267 - 4268, 4275 - 4276, 4279 - 4280, 4283, 4291, 4294, 4297 - 4298, 4302, 4305, 4311, 4318, 4320 - 4321, 4323 - 4324, 4326, 4334, 4338, 4342, 4351, 4355, 4357, 4359, 4363 - 4364, 4367 - 4368, 4372 - 4377, 4379 - 4380, 4382 - 4383, 4387 - 4392, 4399, 4401 -4407, 4409, 4411 - 4418 and 4423 to 4439, Mukim Padang Siding, Daerah Perlis, Perlis	95 units of residential properties and 17 units of shoplot (99 years lease expiring on 21/06/2122)	8,609	10,465	2024

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Inventories - Properties Under Development & Land Held for Development				
PN 82833 - 82852 Lot 4902 - 4921, PN 82854 - 82925 Lot 4924 - 4995 & PN 82927 - 82946 Lot 4997 - 5016, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Residential properties under construction (99 years lease expiring on 31/03/2104)	22,989	30,609	2000
PT 4946 to 5248 , Mukim Padang Siding, Daerah Perlis, Perlis	Land held for property development (99 years lease expiring on 21/06/2122)	46,934	300	2022
GRN 49511, Lot 4 Seksyen 43, Bandar Kuantan, Daerah Kuantan, Pahang	Freehold land held for property development	20,097	20,635	2022
Town Lease Lot No.017549665, Plan No.01126047, Bukit Kepayan, Daerah Kota Kinabalu, Sabah	Land held for property development (99 years lease expiring on 31/12/2097)	6,475	18,385	2022

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Oversea Inventories				
67 McCallum Lane, Victoria Park, Australia being Lots 26, 27 & 28 on Strata Title Plan 63339	3 units of residential apartment (freehold)	1,187	16,829	2010

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Inventories - Overseas Properties Under Development & Land Held for Development				
880 North Lake Road, Cockburn Central, Australia	Freehold land held for property development	11,000	6,676	2012

* The figures are based on the net carrying amounts recorded by the respective subsidiaries of the Group.

SHAREHOLDINGS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 7 APRIL 2025

Issued Share Capital : RM 399,016,243.65 comprising 316, 684,717 ordinary shares *
Class of Shares : Ordinary shares
Voting Rights : One (1) vote per ordinary share

* Including 386,000 shares bought and retained as treasury shares

Size of Holdings	No. of Shareholders	%	No. of Shares	% of Shareholdings
1 - 99	172	6.74	1,734	0.00
100 - 1,000	413	16.19	223,605	0.07
1,001 - 10,000	1,262	49.47	5,841,906	1.85
10,001 - 100,000	582	22.81	21,607,245	6.83
100,001 – less than 5% of issued shares	120	4.70	51,556,701	16.30
5% and above of issued shares	2	0.08	237,067,526	74.95
Total	2,551	100.00	316,298,717	100.00

INFORMATION OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Felda Investment Corporation Sdn. Bhd.	197,067,526	62.30	-	-
Federal Land Development Authority	-	-	197,067,526 ①	62.30
Anjakan Masyhur Sdn. Bhd.	40,000,000	12.65	-	-
Bukhary Sdn. Bhd.	-	-	40,000,000 ②	12.65

① Deemed interest through Felda Investment Corporation Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
② Deemed interest by virtue of their substantial shareholdings in Anjakan Masyhur Sdn. Bhd. pursuant for Section 8 of the Companies Act, 2016.

LIST OF DIRECTORS' SHAREHOLDINGS

Directors	Shareholdings			
	Direct No. of Shares	%	Indirect No. of Shares	%
Mohd Yusmadi Bin Mohd Yusoff	-	-	-	-
Datuk Haji Jaafar Bin Abu Bakar	-	-	-	-
Tuan Haji Lukman Bin Abu Bakar	-	-	-	-
Dato' Dr. Suzana Idayu Wati Binti Osman	-	-	-	-
Nor Azira Binti Abu Bakar	-	-	-	-

LIST OF 30 LARGEST SHAREHOLDERS (as at 7 April 2025)

No.	Name	No. of Shares	%
1.	Felda Investment Corporation Sdn. Bhd.	197,067,526	62.30
2.	Anjakan Masyhur Sdn. Bhd.	40,000,000	12.65
3.	Kamaruzzaman Bin Abu Kassim	7,026,700	2.22
4.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Swee Heng (MM1118)	5,952,000	1.88
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kian Aik	1,516,900	0.48
6.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Sui Cheng (E-JCL)	1,371,800	0.43
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Khor Kim Hock (B B Klang- CL)	1,371,000	0.43
8.	Rosnah Binti Abd Majid	1,354,401	0.43
9.	Tan Chee Keong	1,320,000	0.42
10.	Mohamad Ridzhuan Firdaus Maula Raja Aznin	1,274,300	0.40
11.	Ting Ding Ing	1,260,500	0.40
12.	Wee Huey Chin	1,200,000	0.38
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Pok Oi	1,060,800	0.34
14.	Abdul Aziz Bin Abdul Kadir	1,000,000	0.32

No.	Name	No. of Shares	%
15.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	1,000,000	0.32
16.	Ang Choon Leng	970,000	0.31
17.	Cheng Kok Sang	818,800	0.26
18.	Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund	774,000	0.24
19.	Low Lay Ping	768,100	0.24
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Stuart Saw Teik Siew	659,500	0.21
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Eow Dick Yen	550,000	0.17
22.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tian Wee Kong (Muar-CL)	521,000	0.16
23.	Boon Jit Fan	500,000	0.16
24.	Eng Kim Liong	500,000	0.16
25.	Lim Geok Eng Mary	468,500	0.15
26.	Lee Kek Fook	427,000	0.14
27.	Tan Chin Seng	412,000	0.13
28.	Olive Lim Swee Lian	410,000	0.13
29.	Lim Geok Eng Mary	360,000	0.11
30.	Tin Tong Joo	360,000	0.11
	Total	272,274,827	86.08

Encorp Strand Residences, Kota Damansara

NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 25th Annual General Meeting ("AGM") of ENCORP BERHAD ("the Company") will be held at SPACEHUB, Lot S-31, Second Floor, Strand Mall, No.1, Jalan PJU 5/23, Pusat Perdagangan Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 June 2025 at 3.00 p.m. for the following purposes:

Agenda

As Ordinary Business

1	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.	(Please refer to Explanatory Note 1)
2	To approve the Directors' fees of up to RM750,000 from the conclusion of 25th AGM until the next AGM of the Company, to be payable on a quarterly basis in arrears.	(Ordinary Resolution 1)
3	To approve the payment of Directors' benefits of up to RM170,000 and up to RM85,000 for each Director being the medical benefits, from the conclusion of 25th AGM until the next AGM of the Company.	(Ordinary Resolution 2)
4	To re-elect the following Directors who retire in accordance with Clause 99 of the Constitution of the Company: (i) Tuan Haji Lukman Bin Abu Bakar who retires by rotation in accordance with Clause 99 of the Constitution of the Company, has expressed his intention not to seek re-election. (ii) Datuk Haji Jaafar Bin Abu Bakar who retires by rotation in accordance with Clause 99 of the Constitution of the Company, has expressed his intention not to seek re-election. To re-elect the following Director who retires in accordance with Clause 106 of the Constitution of the Company: (i) Nor Azira Binti Abu Bakar	(Ordinary Resolution 3)
5	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix the Auditors' remuneration.	(Ordinary Resolution 4)

As Special Business

To consider and, if thought fit, to pass the following resolution:

6	**Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2025.** "THAT, subject always to the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries ("Encorp Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the Encorp Group with specified classes of related parties (as defined in the Listing Requirements of Bursa Securities and as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2025) which are necessary for the day-to-day operations in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Encorp Group, on terms not more favourable to the related parties than those generally available to the public and are not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:	

	(a) the conclusion of the next AGM of the Company 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 the Companies Act 2016, (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or (c) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is earlier. THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."	(Ordinary Resolution 5)
7	To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 2016.	

By Order of the Board

Siti Masitah Binti Ibrahim
LS 0010549
SSM PC No. 202408000444

Company Secretary

Selangor Darul Ehsan
30 April 2025

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak, and vote at this 25th AGM.

2. A proxy may but need not be a member of the Company.

3. If the appointer is a corporation, the form of proxy must be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.

4. A member shall be entitled to appoint more than one (1) proxy subject always to a maximum of two (2) proxies to attend and vote at the same meeting provided that the provision of Section 294(2) of the Companies Act 2016 is complied with.

5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing of proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.

8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.

   (a) By Hardcopy Form
   The Form of Proxy or the Power of Attorney or other authority, if any, must be deposited at the office of the Company's Shares Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

   (b) By Electronic Means
   The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

Explanatory Notes:

1. Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1) (a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not put for voting.

2. The payment of Directors' fees of up to RM750,000 from the conclusion of the 25th AGM until the next AGM of the Company, to be payable on a quarterly basis in arrears. (Ordinary Resolution 1)

The payment of Directors' benefits of up to RM170,000 and up to RM85,000 for each Director being the medical benefits, from the conclusion of 25th AGM until the next AGM of the Company (Ordinary Resolution 2)

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the payments to the Directors of the Company as below:

(a) Payment of Directors' fees of up to RM750,000.

(b) The details of the estimated total benefits payable to Non-Executive Chairman and Non-Executive Directors from the conclusion of the 25th AGM until the next AGM are as follows:

(i) The estimated amount of Directors' benefits of up to RM170,000 is calculated based on the number of scheduled Board and Board Committee Meetings and other claimable benefits.

(ii) The estimated amount of medical benefits is up to RM85,000 for each Director.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

3. Retirement by rotation in accordance with Clauses 99 and 106 of the Company's Constitution

Clause 99 of the Company's Constitution states that at each AGM one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third (1/3) with a minimum of one shall retire from office. In addition, each Director shall retire at least once in every three years but shall be eligible for re-election. Datuk Haji Jaafar Bin Abu Bakar and Tuan Haji Lukman Bin Abu Bakar, who retire in accordance with Clause 99 of the Constitution and are eligible for re-election.

Clause 106 of the Company's Constitution stipulates that a Director appointed by the Board shall hold office until the conclusion of the Company's next AGM and be eligible for re-election. Nor Azira Binti Abu Bakar who retires in accordance with Clause 106 of the Constitution and being eligible, for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at this 25th AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nominating and Remuneration Committee ("NRC") has reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board for the FY2024, save for Nor Azira Binti Abu Bakar who was newly appointed to the Board on 27 March 2025. The retiring Directors have also satisfied all the requirements as set out in the Fit and Proper Policy for Directors of the Company. The Board endorsed the recommendation of the NRC on the re-election of the retiring Directors. However, Datuk Haji Jaafar Bin Abu Bakar and Tuan Haji Lukman Bin Abu Bakar have expressed their intention not to seek re-election. Hence, they will retain office until the close of the 25th AGM.

4. Proposed Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature

The proposed Ordinary Resolution 5, if approved, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties by the Encorp Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 30 April 2025.

Statement accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Directors

There are no individuals who are standing for election as directors (excluding directors standing for a re-election) at the 25th Annual General Meeting of the Company.

Further details of Directors standing for re-election as Directors are set out in their respective profiles which appear in the Directors' Profile of this Annual Report and the details of their interests in the securities of the Company are disclosed in the Statistics of Shareholdings of this Annual Report.

ENCORP BERHAD

(Company No: 200001004231 (506836-X))

ADMINISTRATIVE GUIDE FOR THE 25th ANNUAL GENERAL MEETING

Date:	Wednesday, 25 June 2025
Time:	3.00 p.m.
Venue:	SPACEHUB Lot S-31, Second Floor, Strand Mall, No.1, Jalan PJU 5/23, Pusat Perdagangan Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

ENTITLEMENT TO PARTICIPATE AND VOTE

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 25th AGM.
- If you are unable to attend the meeting, you may appoint the Chairman of the 25th AGM as proxy and indicate the voting instructions in the Form of Proxy.
- If you wish to personally attend the 25th AGM, please do not submit any Form of Proxy. You will not be allowed to attend the 25th AGM together with a proxy appointed by you.
- The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise, the instrument of proxy should not be treated as valid.

  - By Hardcopy Form
    The Form of Proxy or the Power of Attorney or other authority, if any, must be deposited at the office of the Company's Shares Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

  - By Electronic Means
    The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

- Corporate Shareholder or its authorised representative who wishes to attend and vote during the AGM required to provide the following documents to the Share Registrar:

  - original certificate of appointment of its Corporate Representative under the seal of the corporation; and
  - copy of the Corporate Representative's MyKad (front and back separately) or valid Passport.

REGISTRATION

- Registration will commence at 1.00 pm.
- Please send your original Identity Card ("IC") to the registration personnel for verification.
- No person will be allowed to register on behalf of another person even with the original IC of the other person.
- After the verification and registration, you will be given an identification wristband. If you are attending the meeting as a shareholder/proxy, you will be registered once and will be given only one identification wristband to enter the meeting hall. No person will be allowed to enter the meeting hall without wearing the identification wristband.

POLL VOTING

- The voting at the 25th AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company's Share Registrar, Securities Services (Holdings) Sdn Bhd is appointed as Poll Administrator to conduct the polling process and Commercial Quest Sdn Bhd will act as the Independent Scrutineer to verify the result of the poll.

ANNUAL REPORT 2024 AND CIRCULAR TO SHAREHOLDERS

- The Annual Report 2024 and Circular to Shareholders are available on the Company's website at www.encorp.com.my.
- Please note that printed copies of the Annual Report 2024 and Circular to Shareholders will be available only upon request. You may submit your request for a printed copy of the Annual Report and Circular by completing the enclosed Requisite Form and either send by post to Company's office address at No. 46-G, Jalan PJU 5/22, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor or email to pauline@encorp.com.my, the printed copy of the Annual Report and Circular will be despatched to you by ordinary post within four (4) market days from the date of receipt of your request. However, please consider the environment before you decide to request for the printed copy.

REFRESHMENT AND DOOR GIFT

- A refreshment will be provided.
- No door gifts or food vouchers will be distributed to members or proxies attending the 25th AGM.

RECORDING OR PHOTOGRAPHY

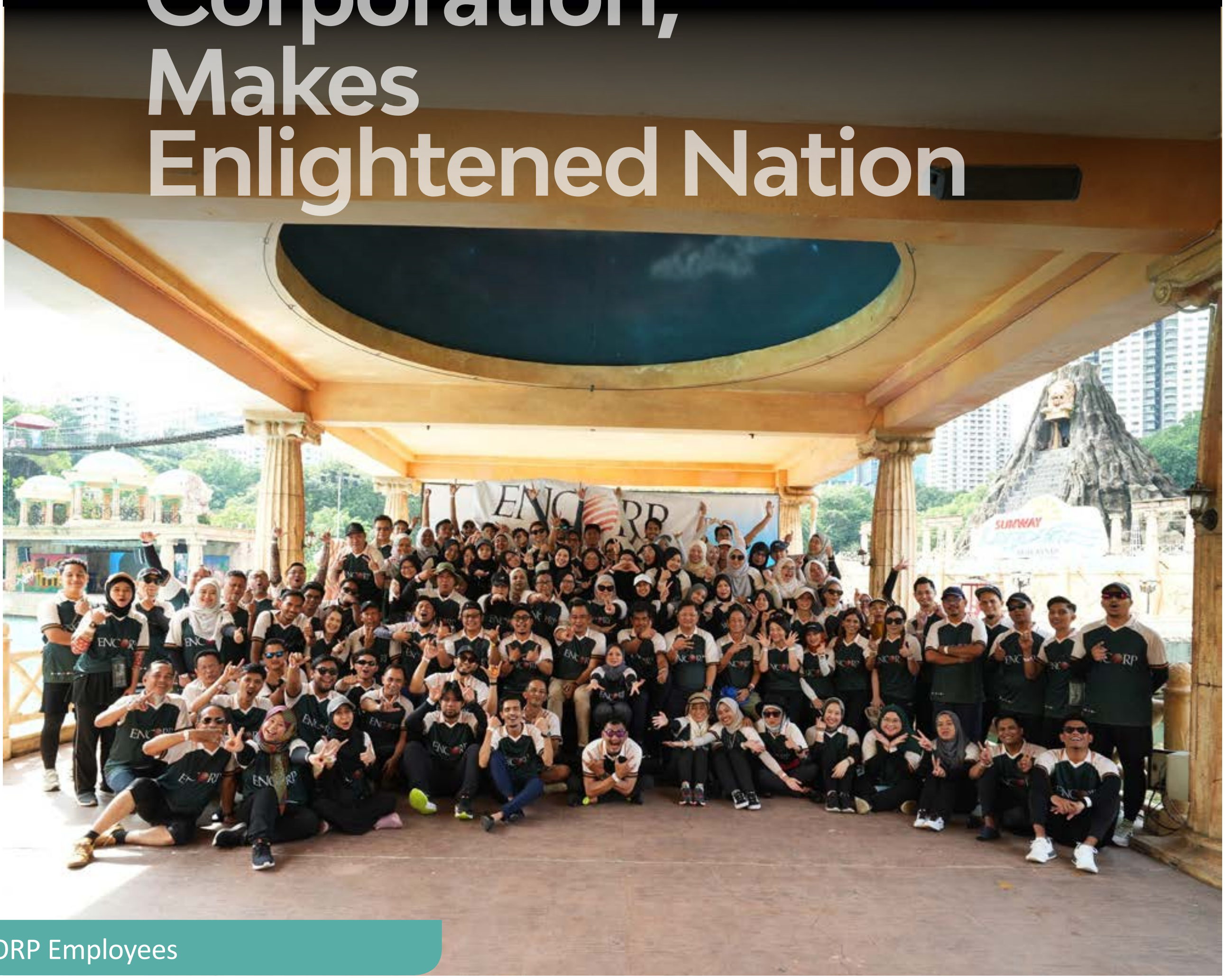
- Strictly **NO** unauthorised recording or photography of the proceedings of the 25th AGM.

ENQUIRY

- For enquiries prior to the AGM, please contact Company's Share Registrar during office hours on Monday to Friday from 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. (except public holidays):a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. (except public holidays):

Share Registrar	:	Securities Services (Holdings) Sdn. Bhd.	
Contact person	:	Mr Wong Piang Yoong Puan Lily En Afiq Aiman General Line	+603 2084 9168 +603 2084 9163 +603 2084 9007 +603 2084 9000
Email address	:	eservices@sshsb.com.my	

Enlightened Corporation, Makes Enlightened Nation



ENCORP Employees

FORM OF PROXY

No. of Shares Held	
CDS Account No.	
Telephone No.	

ENCORP BERHAD

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

*I/We ____
(Full name as per NRIC/Certificate of Incorporation in CAPITAL letters)

Company No./NRIC No. (new) ______________________ (old) ______________________

of ____
(Full Address)

____
(Full Address)

being a member of ENCORP BERHAD, hereby appoint ______________________

______________________ NRIC No. (new) ______________________
(Full name as per NRIC in CAPITAL letters)

(old) ______________________ *and/or failing *him/her ______________________
(Full name as per NRIC in CAPITAL letters)

NRIC No. (new) ______________________ (old) ______________________

or failing *him/her, the Chairman of the Meeting as *my/our proxy(ies) to attend and vote for *me/us on *my/our behalf at the 25th Annual General Meeting ("AGM") of the Company to be held at SPACEHUB Lot S-31, Second Floor, Strand Mall, No.1, Jalan PJU 5/23, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 June 2025 at 3.00 p.m. and at any adjournment thereof.

*My/our proxy(ies) is/are to vote as indicated below:

(Please indicate with an "X" in the appropriate boxes how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.)

No.	Ordinary Resolutions	For	Against
1.	Approval of Directors' fees of up to RM750,000 from the conclusion of 25th AGM until the next AGM of the Company, to be payable on a quarterly basis in arrears.		
2.	Approval of Directors' benefits of up to RM170,000 and up to RM85,000 for each Director being the medical benefits, from the conclusion of 25th AGM until the next AGM of the Company.		
3.	Re-election of Nor Azira Binti Abu Bakar as Director.		
4.	Re-appointment of Messrs Ernst & Young PLT as Auditors and authority to the Directors to fix the Auditors' remuneration.		
5.	Approval of Proposed Shareholders' Mandate as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2025.		

Dated this .... day of 2025

____
Signature(s)/Common Seal of Member(s)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	**Percentage**
Proxy 1		
Proxy 2		
Total		**100%**

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak, and vote at this 25th AGM.
2. A proxy may but need not be a member of the Company.
3. If the appointer is a corporation, the form of proxy must be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
4. A member shall be entitled to appoint more than one (1) proxy subject always to a maximum of two (2) proxies to attend and vote at the same meeting provided that the provision of Section 294(2) of the Companies Act 2016 is complied with.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing of proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.

   (a) By Hardcopy Form
   The Form of Proxy or the Power of Attorney or other authority, if any, must be deposited at the office of the Company's Shares Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

   (b) By Electronic Means
   The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to **eservices@sshsb.com.my**.

(Fold here)

PLACE STAMP HERE

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

(Fold here)

ENCORP

ENCORP BERHAD
Company No: 200001004231
(506836-X)

No. 46-G Jalan PJU 5/22, Encorp Strand,
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