

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6076
COMPANY NAME : Encorp Berhad
FINANCIAL YEAR : December 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible for the strategic direction of the Company and its subsidiaries (the "Group") and the overall management of the Company ("Encorp" or "the Company").</p> <p>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:</p> <ul style="list-style-type: none">• 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 for 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 that 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

	<p>encouraging the use of information technology for effective dissemination of information;</p> <ul style="list-style-type: none"> • Reviewing the adequacy and integrity of the Company's internal control systems and management information 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 and ethical, prudent and professional behaviour and working with senior management in promoting a culture of good corporate governance and corporate responsibility. <p>The Board established clear functions reserved for the Board and those delegated to management. The Limits of Authority of the Company specify the parameters within which the management decisions are to be made whilst the matters which are specifically reserved for the Board include, amongst others, the approval of business strategies, major acquisitions and disposals, financial results and Board appointments.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, co-ordinates the work of the Board and its committees and ensures that the Board members are provided with timely information relevant to perform their duties and responsibilities. The roles and responsibilities of the Chairman is as outlined in Paragraph 4.8(a) of the Board Charter, which is available at the Company's website at www.encorp.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the Chairman and the Group Chief Executive Officer ("GCEO") are distinct and separate to ensure that there is a balance of power and authority.</p> <p>Encik Mohd Yusmadi Bin Mohd Yusoff, the Chairman of the Company is responsible for the leadership, effectiveness, conduct and governance of the Board.</p> <p>The GCEO acts as a conduit between the Board and the Management in ensuring the success of the Company's governance and management functions. Notwithstanding that, the GCEO is also responsible to achieve goals and decisions made by the Board, ensure effective operations within the Group, and to explain, clarify and inform the Board on key matters pertaining to the Group.</p> <p>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.</p> <p>In this capacity, he has been entrusted with temporarily overseeing the duties and responsibilities of the GCEO to ensure business continuity and operational stability.</p> <p>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.</p> <p>The distinct roles and responsibilities of the Chairman and GCEO are clearly stated in Paragraph 4.8 of the Board Charter, which is available at the Company's website at www.encorp.com.my.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the board is not a member of Audit, Risk And Governance Committee ("ARGC") or Nominating and Remuneration Committee ("TOR").</p> <p>The Board acknowledge the importance of Practice 1.4 and had limit the risk of self-review which may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees. The Chairman of the Board understands that he should not be involved in these Committees to ensure there is check and balance as well as objective review by the Board.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by Company Secretary namely Puan Siti Masitah Binti Ibrahim. The Company Secretary qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("CA 2016"), registered with the Companies Commission of Malaysia and an affiliate member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA).</p> <p>The Company Secretary competent and knowledgeable in the CA 2016, Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance 2021 ("MCCG") and company secretarial matters.</p> <p>The Company Secretary attend Board and Board Committee meetings and keep the proper and accurate records of the proceedings of meetings and decisions made.</p> <p>All Directors have access to the advice and services of the Company Secretary in carrying out her duties. The Company Secretary also undertake the statutory duties as prescribed under the CA 2016, Listing Requirements and MCCG.</p> <p>She is responsible for providing Directors with advice on compliance and corporate governance issues. The Board is regularly updated by the Company Secretary on new changes to the statutory and regulatory requirements and the resultant implications to the Company and the Board in discharging her duties and responsibilities.</p> <p>Detailed information on the functional accountabilities of the Company Secretary is encapsulated in the Board Charter available on the Company's website at www.encorp.com.my.</p> <p>The Board is satisfied with the performance and support rendered by the Company Secretary who play a vital role to the Board in discharging its function and duties.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied	
Explanation on application of the practice	:	<p>The notice and agenda of Board meetings are sent to the Directors via email at least 7 days prior to the meetings.</p> <p>The Company utilises a secured application to disseminate meeting papers to the Directors electronically. This serves to ensure that the Directors are able to have access to meeting materials more efficiently and expeditiously.</p> <p>Upon conclusion of the Board meetings, the Company Secretary will circulate the minutes to the Chairman of meeting within a reasonable period of time for his review.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter 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.</p> <p>The Board Charter aims to promote highest standards of corporate governance within the Group, so that the interests of the shareholders, customers and other stakeholders are safeguarded.</p> <p>The Board reviews the Board Charter regularly, to keep it up to date with changes in regulations and best practices.</p> <p>The Board Charter is available at the Company's website at www.encorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had adopted and implemented a Code of Conduct and Business Ethics to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.</p> <p>The conduct of the Directors, management and employees of the Group are governed by the Code of Ethics and Conduct which provides clear direction on conduct of business and general workplace behavior. It includes, amongst others, guidance on health and safety, disclosure of conflict of interest, maintaining confidentiality and gift and business courtesies.</p> <p>The Group communicates its Code of Conduct and Business Ethics to all Directors, management and employees, copy of which is also available at the Company's website at www.encorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Whistle Blowing Policy and Guideline is established in order to support one of Encorp's core values on Ethics and Governance requirements. Encorp places high value of trust to ensure that all business operations and decision making are carried out with Encorp's high standards of integrity and good governance to avoid any misconduct that may affect the organisation. The framework on whistle blowing policy and guidelines forms one of the key mechanisms to ensure that Encorp business practices and operations is in-line with relevant rules and regulation and to encourage the reporting of misconduct and address issues of vulnerability, integrity and governance.</p> <p>The framework on whistle blowing policy and guideline was formalised to encourage and enable staff and others to raise legitimate and genuine concerns to be objectively investigated and addressed within Encorp prior to seeking resolution outside of the Encorp.</p> <p>All reports of misconduct are characterised and classified as confidential. Content of the report may not be disclosed to any party other than the party entitled to know such as law enforcement agencies, Investigation Team, Members of the Board for investigation, assessment and decision making. The identity of the complainant will be kept confidential and protected and shall not be expressed in any document or statement.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board determine Encorp's strategic direction and ensures the Company compliance to law, internal regulations, risk management and control. Sustainability is a component of the Company's corporate strategy.</p> <p>The Sustainability committee is led by the GCEO/Acting GCEO (formerly known as Officer In-Charge) supported by Head of Departments.</p> <p>Decisions on the long-term alignment of sustainability-related areas of action are endorsed at Board level, whereby they would convene to discuss and assess Encorp's progress on economic, environmental and social issues as well as the degree to which sustainability principles have been integrated into the various divisions.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Encorp define all stakeholders as groups whom the business has a significant impact on and those with a vested interest in Encorp operations. Encorp believe that actively engaging and working in partnership with our stakeholders is crucial to addressing sustainability concerns. The Board perceive sustainability as a never-ending quest that requires the participation of all stakeholders, internally and externally, at every level.</p> <p>In an effort to contribute to global and national initiatives towards sustainable development, Encorp seeks to continuously refine its strategic approach to the UN 17 SDGs.</p> <p>The Company has been practising the following methods in communicating sustainability matter with its stakeholders:</p> <ul style="list-style-type: none">• Town hall and Employee Get Connected programme• Conduct relevant programmes in creation of employee's awareness on the Company's Environment, Social and Governance commitments• Public Statements, media engagement and Marketing• Corporate Social Responsibilities ("CSR") activities• Annual General Meeting <p>For more information on the company sustainability strategies, priorities, targets and performance, please refer to the Encorp Sustainability Report which is available on the Company's website at www.encorp.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
------------------	---	--	--

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has been regularly update by the Company Secretary and Head of Risk, Governance and Integrity on the changes of the Listing Requirements via Bursa Securities Circular, which are relevant to the Company on the corporate disclosure and compliances related to the Sustainability issues.</p> <p>The company will upskill the board and senior management on sustainability issues knowledge through training and seminars.</p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board and senior management have yet to undertake performance evaluations to address the Company and its unlisted subsidiaries’ on the risks and opportunities related to sustainability.	
		Key Performance Indicators on sustainability will be incorporated for year performance appraisal.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Board is mindful that setting sustainability targets require the Company to carefully examine the attainability of the targets, which should be weighed against the Company’s ambitions and goals.	
Timeframe	:	Others	5 years (to be determined)

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	The Head of Risk, Governance and Integrity has been identified as the designated to provide focus and co-ordination on managing sustainability within Encorp. Key Sustainability matter are discussed in the Sustainability Committee in reviewing sustainability efforts in Encorp.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC has discharged its function in ensuring that the Board composition and tenure of each director are reviewed periodically.</p> <p>An annual evaluation was conducted and reviewed by the NRC to assess the performance, contribution and tenure of each Director before recommending nomination of the retiring Director for re-election at the forthcoming Annual General Meeting ("AGM").</p> <p>The Board Charter has clearly stated that the tenure of an Independent Director is limited to nine (9) years and he/she may continue to serve on Board subject to redesignation as Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at the AGM in the event it retains the Director as an Independent Director.</p> <p>In this respect, the Board takes into consideration the appropriate mix and diversity of skills, knowledge, experience, age, gender and ethnicity that fit the Company's objectives and long term plan.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board comprises one (1) Independent Non-Executive Chairman, two (2) Non-Independent Non-Executive Directors, and two (2) Independent Non-Executive Directors.</p> <p>The Independent Directors make up the majority of the composition of the Board.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC had performed an annual review on the independence of the Independent Directors.</p> <p>The Board views the number of Independent Directors as well-positioned in providing the necessary check and balance to the Board's decision-making process. The Independent Directors have fulfilled their roles as Independent Directors through active and objective participation in Board deliberations and the exercise of unbiased and independent judgement.</p> <p>As of 31 December 2024, there are no Independent Directors whose tenure exceeds a cumulative term of nine (9) years other than Datuk Haji Jaafar Bin Abu Bakar ("Datuk Haji Jaafar") in the Company.</p> <p>The NRC 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.</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has adopted a Board Diversity Policy to set out the approach to diversity on the Board. When appointing a Director or senior management, the NRC and the Board will consider the background, gender, age, experience, skill, competency, knowledge and potential contribution of the candidate.</p> <p>The NRC 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 NRC and determines the appointments to be made.</p> <p>All the Directors has declared their directorship and none of them are holding more than 5 directorship in listed issuers. The NRC is satisfied with their performance as they are able to devote sufficient time and attention to the matters of the Company in discharging their obligations and duties towards the Company.</p> <p>The appointment of Senior Management is also based on predetermined criteria of skill sets and leadership qualities, driven by their respective job descriptions.</p> <p>The diversity of the Board is set out in the Corporate Governance Overview Statement of the Company's Annual Report 2024.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>When appointing a Director or senior management, the NRC and the Board will consider the background, gender, age, experience, skill, competency, knowledge and potential contribution of the candidate.</p> <p>The NRC 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 NRC and determines the appointments to be made.</p> <p>During the financial year ended 31 December 2024, no new directors were appointed. Recently, the NRC reviewed and recommended the candidate for Non-Independent Non-Executive Director namely Puan Nor Azira Binti Abu Bakar, in replacement of Encik Mahadzir Bin Mustafa who had resigned on 21 February 2025. Puan Nor Azira Binti Abu Bakar was appointed to our Board on 27 March 2025.</p> <p>The above appointment was recommended by the Company's major shareholder during candidate selection. The NRC scrutinised the suitability and qualification of the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC assessed the suitability of an individual 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.</p> <p>The NRC is responsible for identifying candidates and reviewing all nominations for the appointment of Directors, In recommending new Directors, the NRC relies on the contacts and network of the entire</p>

	Board. However, the NRC may engage the external recruitment services provider (independent sources), if necessary.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC would evaluate the candidates based on the “Fit and Proper” standards as set out in the Fit and Proper Policy by taking into consideration diversity, including gender, skills, talents and experience, where appropriate, and recommends to the Board for appointment and reappointment.</p> <p>Shareholders may refer to the following sections in the Annual Report for information of directors who are standing for election:</p> <p>a) Profile of Directors; b) Explanatory Notes under the Notice of AGM; and c) Statement Accompanying Notice of AGM.</p> <p>The Group communicates its Fit and Proper Policy to all Directors, management and employees, copy of which is also available at the Company’s website at www.encorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC is presently Chaired by Tuan Haji Lukman Bin Abu Bakar, an Independent Non-Executive Director who was redesignated as Chairman of NRC on 4 September 2023.</p> <p>In discharging his duties as the Chairman of the NRC, he undertakes to lead an annual assessment of the effectiveness of the Board and Board Committees; ensuring that the performance of the Board, Board Committees and each Director is assessed objectively and holistically; and leads the succession planning and appointment of the Board members.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	During the financial year 2024, with Dato' Dr. Suzana Idayu Wati Binti Osman joining the Board, female representation reached 20%, with one female director out of a total of five Board members.	
		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 Puan Nor Azira Binti Abu Bakar who was appointed on 27 March 2025.	
		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.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has revised a Board Diversity Policy on 30 November 2023 which is now known as Diversity Policy to ensure that through the NRC, selection and appointment of new board member and senior management take into the consideration the candidates from a wide variety of background, without discriminating based 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.</p> <p>The Board is committed to provide fair and equal opportunities regardless of gender but will nevertheless consider appointing more female directors and senior management where suitable to be in line with the Code.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: The Board implemented an evaluation process, for assessing the effectiveness and competencies of the Board as a whole. The NRC carries out an annual evaluation of the effectiveness of the Board as a whole, the Board Committees and the contribution or performance of each individual Director. The NRC also assists the Board in assessing the independence of the Independent Directors annually. The annual evaluation, which was internally facilitated, involves individual Director and Committee members completing separate evaluation performance questionnaires regarding processes of the Board and its Committees, their effectiveness and where improvements could be considered. The evaluation results of the following assessment made for the Financial Year 2024 were presented to the Board on 26 March 2025: <ul style="list-style-type: none">• Performance Evaluation Sheet – Section A: Declaration for Fitness & Propriety; Section B : Individual Director’s Self/Peer Evaluation; Section C : Board Evaluation Questionnaire relating to ESG or Sustainability;• Board and Board Committee Evaluation Form;• ARGC Evaluation Form;• ARGCC Members’ Self and Peer Evaluation Form;• Independent Directors’ Self-Assessment Checklist; and• Board Evaluation Questionnaire Relating to ESG or Sustainability 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 calibre,

	<p>credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.</p> <p>All the Board Committees have discharged their roles and responsibilities as per their Terms of Reference ("TOR").</p>	
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Directors' Remuneration Policy was revised by the Board on 30 November 2023 and is now known as Remuneration Policy, which aims to attract, develop, retain and motivate high performing Directors and Senior Management with a competitive remuneration package.</p> <p>The remuneration package for Executive Directors and Senior Management are structured to link rewards to corporate and individual performance while Non-Executive Directors' remuneration reflects that experience and level of responsibilities undertaken by individual Non-Executive Directors.</p>

	A copy of Remuneration Policy is available at the Company's website at www.encorp.com.my			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NRC is entrusted by the Board to review the remuneration packages for executive director, chief executive officer and senior management (Job Grade A3 to M1). The NRC also reviews and recommend to the Board the annual increments and bonuses of executive director and senior management.</p> <p>The NRC has written TOR which deals with its authority and duties, and these TOR are disclosed on the Company’s website at www.encorp.com.my.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	A detailed disclosure on named basis for the remuneration of each director can be found under the Corporate Governance Overview Statement in the Company's Annual Report 2024.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Mohd Yusmadi Bin Mohd Yusoff	Independent Non-Executive Director	167	27	Input info here	Input info here	Input info here	Input info here	194	203	30	Input info here	Input info here	Input info here	Input info here	233
2	Nor Azira Binti Abu Bakar (Appointed on 27.3.2025)	Non-Executive Non-Independent Director	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Datuk Haji Jaafar Bin Abu Bakar	Independent Non-Executive Director	144	31	Input info here	Input info here	Input info here	Input info here	175	164	33	Input info here	Input info here	Input info here	Input info here	197
4	Mahadzir Bin Mustafa (Resigned on 21.02.2025)	Non-Independent Non-Executive Director	96	21	Input info here	Input info here	Input info here	Input info here	117	116	23	Input info here	Input info here	Input info here	Input info here	139
5	Tuan Haji Lukman Bin Abu Bakar	Independent Non-Executive Director	144	32	Input info here	Input info here	Input info here	Input info here	176	164	34	Input info here	Input info here	Input info here	Input info here	198
6	Dato' Dr Suzana Idayu Wati Binti Osman	Non-Independent Non-Executive Director	112	27	Input info here	Input info here	Input info here	Input info here	139	112	27	Input info here	Input info here	Input info here	Input info here	139

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that the disclosure on a name basis will give rise to recruitment and talent retention issues.</p> <p>The remuneration component including salary, bonus, benefits in kind and other emoluments for the top five (5) Senior Management for the financial year ended 31 December 2024, are disclosed in bands of RM50,000 under the Corporate Governance Overview Statement in the Company's Annual Report 2024.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Audit, Risk and Governance Committee (ARGC), Datuk Haji Jaafar Bin Abu Bakar is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The ARGC take note of Practice 9.2 that the cooling-off period shall be at least three (3) years before a former partner is appointed as member of the Audit Committee. Currently, no former key audit partner of the external auditors of the Company is appointed to the ARGC.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has an External Auditors Policy in place to assess and monitor the performance of its external auditors.</p> <p>The External Auditors, Messrs Ernst & Young PLT has indicated to the ARGC that they are independent throughout the audit of the Group and of the Company and remain in compliance with the By-Laws of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants' independence requirements.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARGC comprises of members with diverse qualification, expertise and experience ranging from accounting, finance, banking, auditing, taxation and treasury. Collectively, the ARGC has the necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation and finance.</p> <p>Based on the outcome of the performance assessment on the ARGC by the NRC, the NRC was satisfied that the ARGC has been effective in discharging their stewardship responsibilities in meeting the needs of the Company during the period under review.</p> <p>All ARGC members have attended the training, seminars and conferences during the financial year to acquire relevant knowledge that enables them to discharge their duties effectively. Trainings attended by the ARGC members are outlined under the ARGC Report in the Company’s Annual Report 2024.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Risk Management Committee comprises of the Heads of Department and GCEO/ Acting GCEO (formerly known as Officer In-Charge) which would report to the ARGC on a quarterly basis in respect of its identification, evaluation and management of significant risks impacting the Group.</p> <p>The ARGC assists the Board in preventing oversight over the Group's management of risk and reviews the adequacy of compliance and control throughout the Group.</p> <p>The Board recognises the role of a strong internal control system in keeping the Group on course toward its goal of maximising shareholders' value. To this extent, the need for a strong internal control environment has been embedded into the culture of the Group by the Board and Management.</p> <p>The statement on Risk Management and Internal Control (SORMIC) furnished in the Annual Report 2024 provides an overview of the internal control within the Group during the financial year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The statement on Risk Management and Internal Control as included in Annual Report 2024 provides an overview of the internal control framework adopted by the Company during the financial year ended under review.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The ARGC 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 and 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.</p> <p>Details of the Internal Audit function are set out in the ARGC Report in the Company's Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company has been performed by in house unit to assist the ARGC in discharging its duties and responsibilities. They act independently and with due professional care and report directly to the ARGC.</p> <p>The Head of Internal Audit Unit reports functionally to the Audit, Risk and Governance Committee and administratively to the GCEO to ensure impartiality and independence in execution of the role. The Internal Audit Unit (IA) comprise of one Senior Executive and is supported by two Executives.</p> <p>Siti Mariam is a Senior Executive leading the Internal Audit Unit. She holds a Bachelor of Business Studies / Administration / Management majoring in Finance, International Islamic University of Malaysia. She has over more than 15 years' experience in banking, property, waste management & the automotive industry, with particular skills in audit, risk, business continuity management and human resource and administration. She is supported by two Internal Audit Executives, Wan Nur Shafura and Nor Farahzana. Both executives have a strong background and experiences in accounting and auditing.</p> <p>The conduct of Internal Audit Activities is also guided by established policy and procedures and guidelines and COSO internal control framework, a comprehensive, structured and widely used audit approach.</p> <p>Details of the Internal Audit function are set out in the ARGC Report in the Annual Report 2024.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>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. The Company has also implemented a Stakeholders' Communication Policy to handle the process of handling queries from its stakeholders.</p> <p>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's general meetings and other Company events. The Notice for the Company's AGM provides information to the shareholders regarding the details and attendance at AGM and rights to appoint proxy(ies).</p> <p>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.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>The Notice of Twenty- Forth Annual General Meeting ("24th AGM") of the Company was circulated to the shareholders 28 days prior to AGM.</p> <p>This goes above and beyond Section 316(2) of Companies Act 2016 and Paragraph 7.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which call for a 21-days' notice period for public companies or listed issuers respectively. The additional time given to shareholders allows them to make the necessary arrangements to attend and participate the 24th AGM remotely by using the Remote Participation and Voting ("RPV") facilities in person or through corporate representatives, proxies or attorneys. In addition, the shareholders are accorded with sufficient time to consider the resolutions that will be discussed and decided upon at the AGM.</p> <p>The notice for the AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable to shed clarity on the matters that will be decided at the AGM.</p> <p>In order to achieve the widest possible dissemination, the notice of AGM is placed both in a nationally circulated newspaper and the Company's website at www.encorp.com.my besides being dispatched to shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All directors attended the 24th AGM held on 26 June 2024 at Broadcast Venue. The Directors present at the 24th AGM presented opportunities for the shareholders to engage with each Director and also allowed the shareholders raised questions and concerns directly to the Directors.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied	
Explanation on application of the practice	:	In year 2024, the Company had leveraged on technology to facilitate remote shareholders’ participation and online remote voting. The Company held its 24th AGM on a virtual basis through live streaming from the broadcast venue and online remote participation via Remote Participation and Voting facilities (“RPV”) provided by Securities Services e-Portal of SS E Solutions Sdn. Bhd. at https://www.sshsb.net.my/login . The voting procedures were conducted by poll administrator at which an independent scrutineer was appointed to validate all votes cast at the 24th AGM. The outcome of all resolutions proposed at 24th AGM was announced to Bursa Malaysia Securities Berhad on the same day of meeting, and was also made available on the Company’s website.	
	:		
Explanation for departure	:		
	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		
	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>During the AGM, the Board encourages participation from shareholders by having question-and-answer session ("Q&A") during the AGM (inclusive of the Chairman of the Board, ARGC and NRC) were available to provide meaningful responses to queries raised.</p> <p>Shareholders had direct access to the Board during the AGM proceedings and to participate in the Q&A session on the resolutions being proposed or on the Group's operations in general.</p> <p>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.</p> <p>The Board members, Company Secretary, senior management and the external auditors, if so required, will endeavor to respond to shareholders' questions during the meeting. All questions posed by shareholders during the 24th AGM were well attended by the Board and/or the senior management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The 24th AGM was successfully conducted by way of live streaming from the Broadcast Venue without any disruption. The Company has considered stability and capacity of meeting platform and ensured that there was dedicated and sufficient internet bandwidth to support smooth live streaming and participation by Directors, shareholders and proxies remotely. The Company also worked with its share registrar, Securities Services (Holdings) Sdn Bhd, to ensure that there was adequate back-up plan to mitigate risk of inability to access the meeting platform via Securities Services e-Portal at https://sshsb.net.my/.</p> <p>During the proceedings of the 24th AGM, participants were given opportunity to pose questions in the form of typed texts on the platform. All questions posed by shareholders were made visible to all meeting participants during the meeting itself. The Management also attended to all live questions received during the meeting proceedings.</p>
Explanation for departure	:	
	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	
	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>The 24th AGM minutes and summary of Q&A dialogues had been published on the Company's corporate websites for public viewing within 30 business days.</p> <p>The outcome of all resolutions proposed at 24th AGM was announced to Bursa Malaysia Securities Berhad on the same day of meeting, and also made available on the Company's website at www.encorp.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

Not Applicable
