

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6076
COMPANY NAME : Encorp Berhad
FINANCIAL YEAR : December 31, 2025

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 Encorp Berhad and its subsidiaries (the "Group"), as well as the overall stewardship and long-term success of the Company.</p> <p>In discharging its fiduciary and leadership responsibilities, the Board provides oversight of the Group's operations, performance, governance, and sustainability agenda, with the objective of safeguarding and enhancing shareholder value.</p> <p>The principal responsibilities of the Board include, among others:</p> <ul style="list-style-type: none">• setting, reviewing and approving the Group's business plans and strategic direction to support long-term value creation, including environmental, economic and social considerations that underpin sustainability;• reviewing, challenging and deciding on Management's proposals, and monitoring the implementation of approved strategies and plans;• overseeing the conduct and performance of the Group's business to ensure it is properly managed;• promoting and embedding a sound corporate governance culture within the Group, supported by ethical, prudent and professional conduct;• identifying principal financial and non-financial risks, approving the risk appetite, and ensuring the implementation of an effective risk management framework to identify, assess, manage and monitor risks;• overseeing succession planning, including the appointment, development, remuneration and, where appropriate, replacement of key management personnel;• ensuring that senior management possesses appropriate skills and experience, and that structured succession plans are in place for both Board and senior management;

	<ul style="list-style-type: none"> • overseeing investor relations and shareholder communication strategies, including the effective use of information technology for timely dissemination of information; • reviewing the adequacy and integrity of the Group’s internal control systems and management information systems to ensure compliance with applicable laws, regulations, rules and guidelines; and • ensuring the establishment and maintenance of appropriate governance structures, policies and ethical standards across the Group. <p>The Board has established a clear division of responsibilities between matters reserved for the Board and those delegated to Management. The Company’s Limits of Authority framework sets out the parameters within which Management may act, while key matters reserved for the Board include, among others, approval of business strategies, major acquisitions and disposals, financial results, and Board appointments.</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

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 leading the Board and ensuring its overall effectiveness in discharging its roles and responsibilities. The Chairman also coordinates the work of the Board and its Committees, and ensures that Board members are provided with timely and relevant information to enable them to discharge their duties effectively. 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 the transitional period, the Board completed the leadership succession with the appointment of Encik Ahmad Harzimi Bin Mohd Taib as GCEO, effective 10 June 2025, as announced to Bursa Malaysia. Upon his appointment, Encik Kamarul Azman Bin Kamarozaman @ Amir ceased his role as Acting GCEO and resumed his position as Group Chief Financial Officer ("GCFO"). This transition concluded the interim arrangement and ensured clear roles, continuity, and accountability within the Group's management.</p> <p>Encik Ahmad Harzimi brings extensive experience in legal practice, corporate governance, and property development, which the Board believes will strengthen the Group's leadership and strategic execution. The separation of the GCEO and GCFO roles reinforces sound governance and supports the Group's long-term growth.</p> <p>To further enhance Board governance, the Nominating and Remuneration Committee is tasked with reviewing the roles and responsibilities of the Board and its Committees.</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	:	

<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 1.4

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 the Audit, Risk and Governance Committee ("ARGC") nor the Nomination and Remuneration Committee ("NRC").</p> <p>The Board recognises the importance of Practice 1.4 in ensuring an appropriate balance of authority and the integrity of board deliberations. In this regard, the Chairman does not participate in the deliberations of the Board Committees, thereby mitigating the risk of self-review and preserving the objectivity of the Board in considering the observations and recommendations made by the respective Committees. This arrangement also reinforces the principles of check and balance and supports independent and objective decision-making at Board level.</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>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> <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>
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 of Board meetings and meeting agenda are circulated to Directors via email at least seven (7) days prior to each meeting.</p> <p>The Company utilises a secure electronic platform for the dissemination of Board papers and meeting materials to Directors. This enables Directors to access relevant information in a timely, efficient and secure manner, thereby facilitating informed deliberations and effective decision-making.</p> <p>Directors may seek further clarification or additional information from Management and the Company Secretary, where required, to support the discharge of their duties.</p> <p>Upon conclusion of each Board meeting, the Company Secretary prepares and circulates the minutes to the Chairman of the meeting within a reasonable timeframe for 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

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 sets out the Board’s strategic intent and provides guidance on the roles, responsibilities and authority of the Board. It serves to ensure that all Directors are aware of their fiduciary duties and responsibilities, as well as the applicable laws, regulations and governance requirements relevant to the discharge of their duties.</p> <p>The Board Charter is intended to promote high standards of corporate governance throughout the Group and to safeguard the interests of shareholders, customers and other stakeholders.</p> <p>The Board reviews the Board Charter periodically to ensure that it remains relevant and aligned with prevailing regulatory requirements, governance expectations and best practices.</p> <p>The Board Charter is available on the Company’s corporate 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 has adopted and implemented a Code of Conduct and Business Ethics to promote a corporate culture that upholds integrity, accountability and ethical behaviour throughout the Group.</p> <p>The conduct of the Directors, Management and employees of the Group is guided by the Code of Conduct and Business Ethics, which provides clear standards on business conduct and workplace behaviour. The Code covers, among others, matters relating to health and safety, disclosure and management of conflicts of interest, preservation of confidentiality, and the acceptance of gifts and business courtesies.</p> <p>The Group communicates the Code of Conduct and Business Ethics to all Directors, Management and employees to reinforce awareness and compliance with the expected standards of conduct.</p> <p>A copy of the Code of Conduct and Business Ethics 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 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 Whistleblowing Policy and Guidelines are established to support Encorp’s core values on ethics and governance. Encorp places a high value on trust and is committed to ensuring that all business operations and decision-making processes are conducted in accordance with the highest standards of integrity and good governance, with the aim of preventing any form of misconduct that may adversely affect the organisation.</p> <p>The whistleblowing framework serves as an important mechanism to ensure that Encorp’s business practices and operations remain in compliance with applicable laws and regulations. It also promotes a culture of transparency and accountability by encouraging the reporting of misconduct and addressing concerns relating to integrity, governance, and potential vulnerabilities within the organisation.</p> <p>The Policy and Guidelines are designed to encourage and enable employees and external parties to raise legitimate and genuine concerns in a responsible manner. Such concerns will be objectively reviewed, investigated, and addressed within Encorp, where possible, prior to seeking resolution through external channels.</p> <p>All reports of misconduct are treated with strict confidentiality. The contents of such reports will only be disclosed to authorised parties on a need-to-know basis, including law enforcement agencies, the Investigation Team, and members of the Board, for the purposes of investigation, assessment, and decision-making. The identity of the complainant will be kept confidential and protected at all times and will not be disclosed in any document or statement, unless required by law.</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

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 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 defines its stakeholders as groups that are significantly impacted by its business operations, as well as those with a vested interest in the Company. Encorp believes that active engagement and strong collaboration with its stakeholders are essential in effectively addressing sustainability-related concerns. The Board views sustainability as a continuous and evolving journey that requires the collective participation of both internal and external stakeholders at all levels.</p> <p>In contributing to both global and national sustainable development initiatives, Encorp remains committed to continuously refining its strategic approach in alignment with the United Nations’ 17 Sustainable Development Goals (“SDGs”).</p> <p>The Company adopts various channels to communicate sustainability matters and engage with its stakeholders, including:</p> <ul style="list-style-type: none"> • Town hall sessions and Employee Get Connected programmes • Implementation of initiatives to enhance employees’ awareness of the Company’s Environmental, Social and Governance (“ESG”) commitments • Public statements, media engagements, and marketing communications • Corporate Social Responsibility (“CSR”) activities • Annual General Meetings <p>For further information on the Company’s sustainability strategies, priorities, targets, and performance, please refer to Encorp’s Sustainability Report, which is available on the Company’s website at www.encorp.com.my</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 4.3

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	:	The Board is regularly updated by the Company Secretary and the Head of Risk and Sustainability on changes to the Listing Requirements, via Bursa Securities Circulars, which are relevant to the Company, particularly in relation to corporate disclosures and compliance with sustainability-related requirements. The Company is also committed to enhancing the knowledge and capabilities of the Board and Senior Management on sustainability matters through continuous training programmes and seminars.	
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 4.4

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 addressing the Company and its unlisted subsidiaries' risks and opportunities related to sustainability.	
		Key Performance Indicators relating to sustainability will be incorporated into the annual performance appraisal for the forthcoming year.	
<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 and Sustainability has been designated to provide focus and coordination in managing sustainability matters within Encorp. Key sustainability matters are deliberated at the Sustainability Committee to review and oversee the Group's sustainability efforts.

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 Nominating and Remuneration Committee ("NRC") has discharged its responsibilities in ensuring that the composition of the Board and the tenure of each Director are reviewed periodically to maintain an appropriate balance of skills, experience and independence.</p> <p>An annual evaluation is undertaken and reviewed by the NRC to assess the performance, contribution and tenure of each Director prior to recommending the re-election of retiring Directors at the forthcoming Annual General Meeting ("AGM").</p> <p>The Board Charter stipulates that the tenure of an Independent Director shall not exceed nine (9) years. Upon completion of the nine-year tenure, an Independent Director may continue to serve on the Board subject to redesignation as a Non-Independent Director. Alternatively, where the Board intends to retain the Director as an Independent Director beyond the prescribed tenure, the Board shall provide the necessary justification and seek shareholders' approval at the AGM.</p> <p>In carrying out its review, the Board takes into consideration the appropriate mix and diversity of skills, knowledge, experience, age, gender and ethnicity to support the Company's objectives, succession planning and long-term strategic direction.</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	:	The Board comprises one (1) Independent Non-Executive Chairman, two (2) Non-Independent Non-Executive Directors, and two (2) Independent Non-Executive Directors. Independent Directors form the majority of the Board composition.	
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 5.3

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 Nominating and Remuneration Committee ("NRC") has conducted its annual review on the independence of the Independent Directors, as well as the performance and tenure of all Directors.</p> <p>The Board is of the view that the current composition of Independent Directors is appropriate and provides the necessary checks and balances in the Board's decision-making process. The Independent Directors have demonstrated effective discharge of their responsibilities through active participation in Board deliberations and the exercise of independent and objective judgement.</p> <p>As at 31 December 2025, none of the Independent Directors have exceeded a cumulative tenure of nine (9) years with the Company.</p> <p>In accordance with the Board Charter, the tenure of an Independent Director is limited to nine (9) years. An Independent Director may continue to serve on the Board subject to redesignation as a Non-Independent Director. Alternatively, where the Board intends to retain an Independent Director beyond the nine-year threshold, justification must be provided and shareholders' approval must be sought at the Annual General Meeting ("AGM").</p> <p>The NRC conducts annual performance evaluations of all Directors and considers the outcomes in its recommendation for the re-election of retiring Directors at the forthcoming AGM.</p> <p>In making its recommendations, the Board also takes into consideration the appropriate mix and balance of skills, knowledge, experience, age, gender, and ethnicity to support the Company's objectives and long-term strategic direction.</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 5.4 - Step Up

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

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.

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 which sets out its approach to achieving diversity on the Board. In the appointment of Directors and Senior Management, the Nominating and Remuneration Committee (“NRC”) and the Board take into consideration various factors, including background, gender, age, experience, skills, competencies, knowledge, and the potential contribution of each candidate.</p> <p>The NRC is responsible for identifying and recommending suitable candidates for appointment to the Board. Final approval of such appointments is made by the Board as a whole, to ensure a balanced mix of experience and expertise among its members. The Board also conducts its own assessment based on the NRC’s recommendations prior to confirming any appointments.</p> <p>All Directors have declared their directorships, and none hold more than five (5) directorships in listed issuers. The NRC is satisfied that the Directors are able to devote sufficient time and attention to discharge their duties and responsibilities effectively.</p> <p>The appointment of Senior Management is similarly guided by predetermined criteria, including relevant skill sets and leadership capabilities, as defined in their respective job descriptions.</p> <p>Further details on the diversity of the Board are disclosed in the Corporate Governance Overview Statement of the Company’s Annual Report 2025.</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 5.6

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>In appointing Directors and Senior Management, the Nominating and Remuneration Committee (“NRC”) and the Board consider various factors, including background, gender, age, experience, skills, competencies, knowledge, and the potential contribution of each candidate. The NRC is responsible for identifying and recommending suitable candidates for appointment to the Board, while the final decision on such appointments is made by the Board as a whole to ensure a balanced mix of experience and expertise among its members. The Board also conducts its own assessment based on the NRC’s recommendations prior to confirming any appointment.</p> <p>During the financial year ended 31 December 2025, several changes to the Board composition took place.</p> <p>Puan Nor Azira Binti Abu Bakar was appointed as a Non-Independent Non-Executive Director on 27 March 2025, replacing Encik Mahadzir Bin Mustafa who resigned on 21 February 2025. Subsequently, Encik Muhammad Fitri Bin Othman was appointed as a Non-Independent Non-Executive Director on 15 July 2025, replacing Dato’ Dr. Suzana Idayu Wati Binti Osman, who resigned with effect from 23 July 2025. Both appointments were recommended by the Company’s major shareholder during the candidate selection process.</p> <p>In addition, Dr. Wan Ahmad Rudirman Bin Wan Razak was appointed as an Independent Non-Executive Director on 23 July 2025, replacing Datuk Haji Jaafar Bin Abu Bakar as Chairman of the Audit, Risk and Governance Committee following his retirement at the 25th Annual General Meeting held on 25 June 2025. Further, Puan Zaina Diana Binti Zinal was appointed as an Independent Non-Executive Director on 18 August 2025, replacing Tuan Haji Lukman Bin Abu Bakar as Chairman of the NRC, also following his retirement at the same AGM.</p>

	<p>In discharging its duties, the NRC reviews the suitability and qualifications of each candidate prior to recommending them for Board approval. The assessment includes consideration of the individual’s mix of skills, functional knowledge, experience, professionalism, integrity, and other commitments to ensure they are able to contribute effectively to 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 leverages the contacts and network of the Board as a whole. Where necessary, the NRC may also engage external recruitment service providers or independent sources to support the selection process.</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	<p>Please explain the measure(s) the company has taken or intend to take to adopt the practice.</p>
<p>Timeframe</p>	<p>:</p>	<p>Choose an item.</p>

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 Nominating and Remuneration Committee (“NRC”) evaluates candidates based on the “Fit and Proper” criteria as set out in the Fit and Proper Policy, taking into consideration factors such as diversity, including gender, skills, talent, and experience, where appropriate. Based on this assessment, the NRC recommends candidates to the Board for appointment and reappointment.</p> <p>Shareholders may refer to the following sections in the Annual Report for information on Directors standing for election:</p> <ul style="list-style-type: none"> (a) Profile of Directors; (b) Explanatory Notes under the Notice of AGM; and (c) Statement Accompanying Notice of AGM. <p>The Group communicates its Fit and Proper Policy to all Directors, management, and employees. A copy of the Policy is also 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

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 Nominating and Remuneration Committee (“NRC”) is presently chaired by Tuan Haji Lukman Bin Abu Bakar, an Independent Non-Executive Director who was redesignated as Chairman of the NRC on 4 September 2023. He was subsequently succeeded by Puan Zaina Diana Binti Zinal (“Puan Diana”), who was appointed on 18 August 2025 following his retirement at the 25th Annual General Meeting held on 25 June 2025.</p> <p>In discharging his duties as Chairman of the NRC, he led the annual assessment of the effectiveness of the Board and its Committees, ensuring that the performance of the Board, Board Committees, and each Director was assessed objectively and holistically. He also oversaw succession planning and the nomination process for Board appointments.</p> <p>Upon her appointment, Puan Diana assumed responsibility for the continued leadership of the NRC, including oversight of the Board effectiveness evaluation, succession planning, and the nomination process for 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

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	:	Applied
Explanation on application of the practice	:	During the financial year ended 31 December 2025, the Board comprised two (2) female Directors out of five (5) Directors, representing 40% female participation, namely Puan Nor Azira Binti Abu Bakar, who was appointed on 27 March 2025, and Puan Zaina Diana Binti Zinal, who was appointed on 18 August 2025.
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 5.10

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 revised its Board Diversity Policy on 30 November 2023, now referred to as the Diversity Policy, to ensure that through the Nominating and Remuneration Committee (NRC), the selection and appointment of new Board members and Senior Management consider candidates from a wide range of backgrounds, without discrimination based on gender, age, ethnicity, marital status, or religion, but based on the required mix of skills, knowledge, and professional experience that the candidate is expected to contribute to the Company.</p> <p>The Board is committed to providing fair and equal opportunities regardless of gender. Nevertheless, it will continue to consider the appointment of more female Directors and Senior Management where suitable, 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	: <p>The Board has implemented an evaluation process to assess the effectiveness and competencies of the Board as a whole.</p> <p>The Nominating and Remuneration Committee carries out an annual evaluation of the effectiveness of the Board, the Board Committees, and the performance and contribution of each individual Director. It also assists the Board in annually assessing the independence of the Independent Directors.</p> <p>The annual evaluation, which is internally facilitated, involves Directors and Committee members completing separate evaluation questionnaires covering Board and Committee processes, effectiveness, and areas for improvement.</p> <p>The results of the assessments for the financial year ended 31 December 2025 were presented to the Board on 28 April 2026. The evaluation covered the following:</p> <ul style="list-style-type: none">• Performance Evaluation Sheet – Section A: Declaration for Fitness and 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;• ARGCC Evaluation Form;• ARGCC Members’ Self and Peer Evaluation Form;• Independent Directors’ Self-Assessment Checklist; and• Board Evaluation Questionnaire Relating to ESG or Sustainability <p>The Board was satisfied with the results of the annual assessment and concluded that the current size and composition of the Board remain appropriate and well-balanced, with the right mix of skills, experience, and expertise. The Board also affirmed that its members are of high</p>

	<p>calibre and possess the necessary qualifications to discharge their duties and responsibilities effectively.</p> <p>All Board Committees have discharged their roles and responsibilities in accordance with their respective Terms of Reference (TOR).</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 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 the Remuneration Policy. The Policy aims to attract, develop, retain, and motivate high-performing Directors and Senior Management through a competitive remuneration framework.</p> <p>The remuneration package for Executive Directors and Senior Management is structured to align rewards with corporate and individual performance, while the remuneration of Non-Executive Directors reflects their experience and the level of responsibilities undertaken by each individual Director.</p> <p>A copy of the Remuneration Policy 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 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 Nominating and Remuneration Committee (NRC) is entrusted by the Board to review the remuneration packages of the Executive Director, C-Suite Officer, and Senior Management (Job Grade A3 to M1). The NRC also reviews and recommends to the Board the annual salary increments and bonus payments for the Executive Director and Senior Management.</p> <p>The NRC operates under written Terms of Reference which set out its authority and duties. These Terms of Reference (TOR) are 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

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 of the remuneration of each Director on a named basis is set out in the Corporate Governance Overview Statement of the Company's Annual Report 2025.

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	164.7	14.5	Input info here	Input info here	Input info here	Input info here	179.2	221.7	16.2	Input info here	Input info here	Input info here	Input info here	237.9
2	Mahadzir Bin Mustafa (Resigned on 21/02/2025)	Non-Executive Non-Independent Director	14	2	Input info here	Input info here	Input info here	Input info here	16	16.9	2.6	Input info here	Input info here	Input info here	Input info here	19.5
3	Nor Azira Binti Abu Bakar (Appointed on 27/03/2025)	Non-Executive Non-Independent Director	73.2	11	Input info here	Input info here	Input info here	Input info here	84.2	73.2	11	Input info here	Input info here	Input info here	Input info here	84.2
4	Datuk Haji Jaafar Bin Abu Bakar (Retired on 25/06/2025)	Independent Non-Executive Director	71.6	17	Input info here	Input info here	Input info here	Input info here	88.6	86.6	17.6	Input info here	Input info here	Input info here	Input info here	104.2
5	Tuan Haji Lukman Bin Abu Bakar (Retired on 25/06/2025)	Independent Non-Executive Director	71.6	19.3	Input info here	Input info here	Input info here	Input info here	90.9	83.3	19.9	Input info here	Input info here	Input info here	Input info here	103.2
6	Encik Muhammad Fitri Bin Othman (Appointed on 15/07/2025)	Non-Executive Non-Independent Director	38.8	8	Input info here	Input info here	Input info here	Input info here	46.8	44.4	8.6	Input info here	Input info here	Input info here	Input info here	53
7	Dato' Dr. Suzana Idayu Wati Binti Osman (Resigned on 23/07/2025)	Non-Executive Non-Independent Director	73.3	15.5	Input info here	Input info here	Input info here	Input info here	88.8	73.3	15.5	Input info here	Input info here	Input info here	Input info here	88.8
8	Dr Wan Ahmad Rudirman Bin Wan Razak (Appointed on 23/07/2025)	Independent Non-Executive Director	63.4	8	Input info here	Input info here	Input info here	Input info here	71.4	80.1	9.1	Input info here	Input info here	Input info here	Input info here	89.2

9	Puan Zaina Diana Binti Zinal (Appointed on 18/08/2025)	Independent Non-Executive Director	53.4	6	Input info here	Input info here	Input info here	Input info here	59.4	60.6	6.6	Input info here	Input info here	Input info here	Input info here	67.2
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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	:	The Board is of the view that disclosure on a named basis may give rise to recruitment and talent retention challenges.
	:	The remuneration components, including salary, bonus, benefits-in-kind, and other emoluments, of the top five (5) Senior Management for the financial year ended 31 December 2025 are disclosed in bands of RM50,000 in the Corporate Governance Overview Statement of the Company's Annual Report 2025.
<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"), Dr. Wan Ahmad Rudirman Bin Wan Razak, who succeeded 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	:	<p>The Audit, Risk and Governance Committee (“ARGC”) takes note of Practice 9.2, which requires a cooling-off period of at least three (3) years before a former key audit partner is appointed as a member of the Audit Committee.</p> <p>Currently, none of the members of the ARGC are former key audit partners of the Company’s external auditors.</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 9.3

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, have confirmed to the Audit, Risk and Governance Committee (ARGC) that they have remained independent throughout the audit of the Group and the Company, and are in compliance with the By-Laws of the Malaysian Institute of Accountants as well as the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants on 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 Audit, Risk and Governance Committee ("ARGC") comprises members with diverse qualifications, expertise, and experience in accounting, finance, banking, auditing, taxation, and treasury. Collectively, the ARGC possesses the necessary skills and a broad range of experience in these areas to effectively discharge its responsibilities.</p> <p>Based on the performance assessment conducted by the Nominating and Remuneration Committee ("NRC"), it was concluded that the ARGC has been effective in fulfilling its stewardship responsibilities and meeting the needs of the Company during the period under review.</p> <p>All ARGC members have attended relevant training, seminars, and conferences during the financial year to enhance their knowledge and ensure effective discharge of their duties. Details of the trainings attended by ARGC members are set out in the ARGC Report of the Company's Annual Report 2025.</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 10.1

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 Heads of Departments and members of the Group’s senior management, and reports to the Audit, Risk and Governance Committee (“ARGC”) on a quarterly basis in respect of the identification, evaluation, and management of significant risks impacting the Group.</p> <p>The ARGC assists the Board in overseeing the Group’s risk management framework and reviews the adequacy and effectiveness of compliance and internal control systems across the Group.</p> <p>The Board recognises the importance of a robust internal control system in ensuring that the Group remains aligned with its objective of maximising shareholders’ value. In this regard, a strong internal control environment has been embedded into the Group’s culture by both the Board and Management.</p> <p>The Statement on Risk Management and Internal Control (SORMIC) provides an overview of the Group’s internal control framework during the financial year under review.</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

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 the Annual Report 2025, provides an overview of the internal control framework adopted by the Company during the financial year 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	:	The Audit, Risk and Governance Committee ("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 internal control and risk management systems, as well as the appropriateness and effectiveness of corporate governance practices, based on procedures approved by the respective ARGC. Details of the Internal Audit function are set out in the ARGC Report of the Company's Annual Report 2025.	
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 is performed by an in-house unit to assist the Audit, Risk and Governance Committee (“ARGC”) in discharging its duties and responsibilities. The Internal Audit Unit operates independently and with due professional care, and reports directly to the ARGC.</p> <p>The Head of the Internal Audit Unit reports functionally to the ARGC and administratively to the Group Chief Executive Officer (GCEO) to ensure impartiality and independence in the execution of its role. The Internal Audit Unit comprises one Senior Executive and is supported by two Executives.</p> <p>Siti Mariam, the Senior Executive leading the Internal Audit Unit, holds a Bachelor of Business Studies/Administration/Management majoring in Finance from the International Islamic University of Malaysia. She has more than 15 years of experience in banking, property, waste management, and the automotive industry, with particular expertise in audit, risk management, business continuity management, as well as human resource and administration. She is supported by two Internal Audit Executives, Wan Nur Shafura and Nor Farahzana, both of whom have strong backgrounds and experience in accounting and auditing.</p> <p>The conduct of internal audit activities is guided by established policies, procedures, and guidelines, as well as the COSO Internal Control Framework, a comprehensive, structured, and widely recognised audit approach.</p> <p>Details of the Internal Audit function are set out in the ARGC Report in the Annual Report 2025.</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 12.1

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 at large. In this regard, the Company keeps its shareholders, investors, and the public informed through timely announcements, the release of quarterly financial results, annual reports, circulars, and general meetings. The Company has also implemented a Stakeholders' Communication Policy to govern the handling of queries from stakeholders.</p> <p>The Company maintains regular and effective engagement with its shareholders and stakeholders through various channels, including responses to email and telephone enquiries, participation in general meetings, and attendance at other corporate events. The Notice of Annual General Meeting provides shareholders with relevant information on the meeting details, attendance arrangements, and their rights to appoint proxy(ies).</p> <p>The Company's website contains a dedicated section that provides comprehensive information on the Company and is accessible to the public. While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it remains mindful of the legal and regulatory framework governing the disclosure 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>Encorp Berhad maintains ongoing engagement with shareholders and stakeholders through clear, timely and transparent communication channels. Information relating to the Group's financial performance, corporate developments and other material matters is disseminated through Bursa Malaysia announcements, the annual report, and the Company's corporate website.</p> <p>The Company ensures that disclosures are made in a timely manner to enable shareholders to make informed investment decisions, and that key corporate information is readily accessible to promote transparency and accountability.</p> <p>In relation to the Twenty-Fifth Annual General Meeting ("25th AGM"), the Notice of AGM was circulated to shareholders 28 days prior to the meeting. This exceeds the minimum notice period requirements under Section 316(2) of the Companies Act 2016 and Paragraph 7.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which require at least 21 days' notice for public listed companies.</p> <p>The extended notice period provided shareholders with sufficient time to make necessary arrangements to participate in the 25th AGM, including attendance in person or participation through corporate representatives, proxies or attorneys, as well as to consider the resolutions to be tabled at the meeting.</p> <p>The Notice of AGM, which sets out the proposed resolutions together with explanatory notes and relevant background information, was also published in a nationally circulated newspaper and made available on the Company's corporate website, in addition to being distributed to shareholders, to ensure broad and timely dissemination.</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	:	<p>Encorp Berhad recognises the importance of providing shareholders with the opportunity to participate in general meetings and to exercise their rights effectively.</p> <p>During the financial year under review, shareholders were invited to participate in the 25th Annual General Meeting (“25th AGM”), which was held on a fully physical basis on 25 June 2025 at the broadcast venue. Shareholders were able to attend in person, receive updates on the Company’s performance, and engage directly with the Board and Management.</p> <p>All Directors attended the 25th AGM. The Directors’ presence at the AGM provided shareholders with the opportunity to engage directly with each Director and to raise questions and seek clarification on matters relating to the Group during the meeting.</p> <p>The AGM served as a platform for open dialogue between shareholders and the Board, thereby promoting meaningful engagement, facilitating greater transparency, and strengthening shareholders’ understanding of the Company’s performance and strategic direction.</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 13.3

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Encorp Berhad conducted its Annual General Meeting (“AGM”) on a fully physical basis during the financial year under review, in accordance with the applicable regulatory framework governing the conduct of general meetings. This arrangement enabled shareholders to attend in person, participate in the proceedings, and exercise their voting rights directly at the meeting.</p> <p>While the AGM was conducted on a physical basis, Encorp Berhad ensured that shareholders’ rights to participate and vote were fully supported through structured meeting and polling arrangements.</p> <p>Voting on all resolutions was conducted by way of poll using poll papers. The poll process was administered by the appointed Poll Administrator. Securities Services (Holdings) Sdn Bhd (“SSKL”), as Share Registrar, facilitated the timely provision of the Record of Depositors and proxy forms to Commercial Quest Sdn Bhd (“CQSB”), which was appointed as the Independent Scrutineer to verify and validate the poll results.</p> <p>The coordination between SSKL and CQSB enabled efficient document handling and a structured vote validation process, ensuring the accuracy, integrity, and reliability of votes cast at the AGM.</p> <p>All votes cast were verified by the Independent Scrutineer to ensure transparency and integrity of the voting process. The outcome of all resolutions was announced to Bursa Malaysia Securities Berhad on the same day of the meeting and made available on Encorp Berhad’s website, ensuring timely disclosure.</p> <p>This arrangement supports the intended outcome of Practice 13.3 by ensuring effective shareholder participation, robust voting integrity, and timely and transparent communication of meeting results.</p>

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

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>Encorp Berhad values constructive engagement with shareholders and encourages feedback through appropriate communication channels, including general meetings, the corporate website and Bursa Malaysia announcements.</p> <p>During the AGM, the Board facilitates active participation from shareholders through a question-and-answer ("Q&A") session. The Chairman of the Board, together with the Chairmen of the Audit and Risk Governance Committee ("ARGC") and the Nomination and Remuneration Committee ("NRC"), as well as senior management, were available to provide meaningful responses to queries raised during the meeting. Where necessary, the external auditors may also be present to address shareholders' queries.</p> <p>Shareholders were given direct access to the Board during the AGM proceedings to raise questions and seek clarification on resolutions tabled as well as matters relating to the Group's operations and performance, thereby promoting open and transparent engagement.</p> <p>Shareholders who are unable to attend the AGM in person are entitled to appoint proxies to attend, participate and vote on their behalf in accordance with the Company's Constitution.</p> <p>The Board takes note of feedback received during general meetings and considers such feedback as part of its ongoing governance and decision-making processes. The Company remains committed to maintaining open and continuous communication with shareholders to support transparency, accountability and long-term sustainability of the Group.</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 :	Not applicable – only physical general meetings were conducted in the financial year
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 13.6

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	: The minutes of the 25th Annual General Meeting (“25th AGM”) and a summary of the Q&A sessions were published on the Company’s corporate website for public viewing within 30 business days. The outcome of all resolutions tabled at the 25th AGM was announced to Bursa Malaysia Securities Berhad on the same day of the meeting and was also made available on 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	:

**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
