

ENLIGHTENED IN ACTION

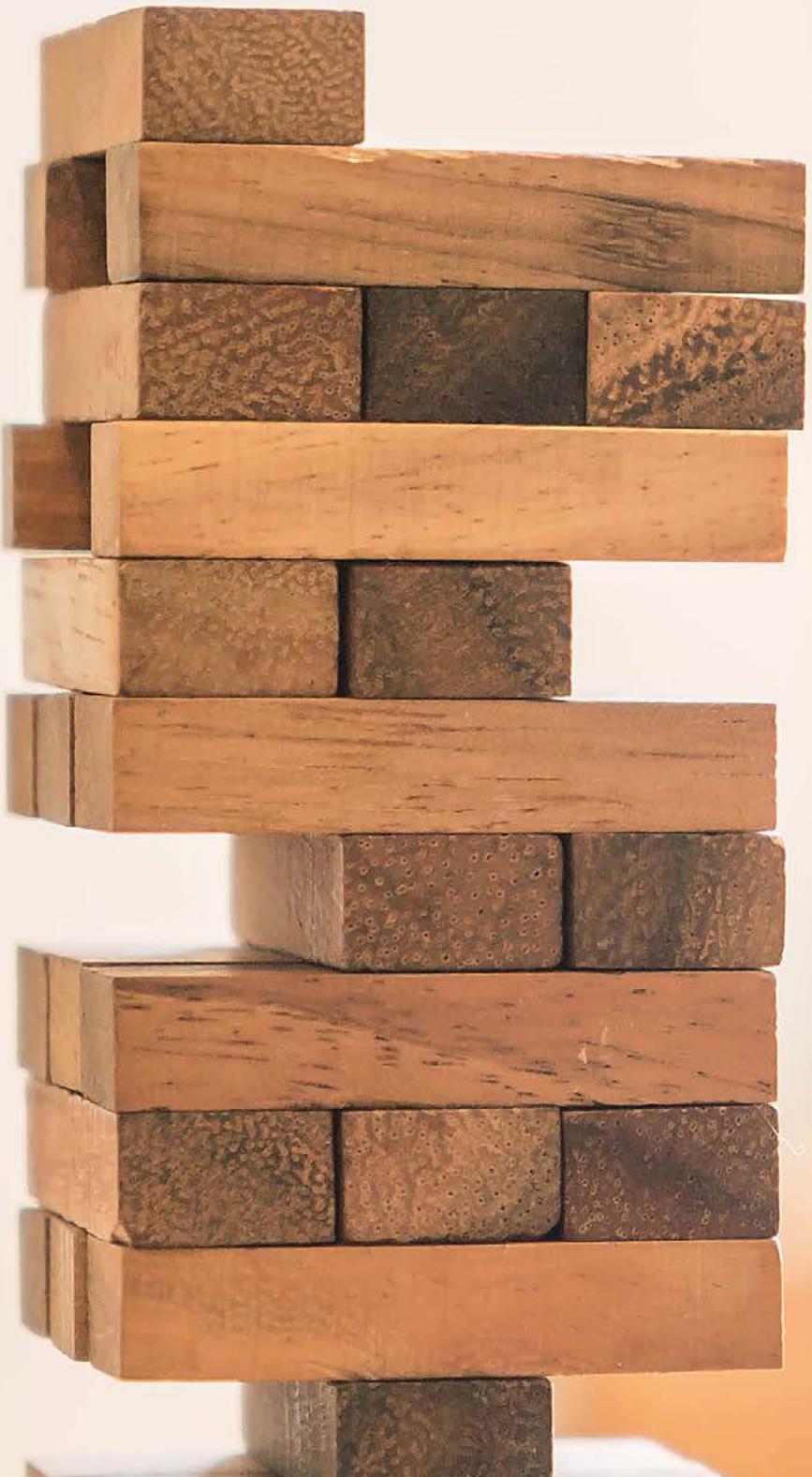


OUR LOGO RATIONALE



The globe is a symbol of our desire to set new horizons as we grow and strengthen, striving to achieve greater heights.

The colour red represents our commitment in harnessing the trust and confidence of our stakeholders and customers. But above all, it reflects the paramount quality of our products, which are designed and developed with great thoughtfulness and assurance.



ENCORP VALUES

OUR MISSION

Leveraging core competencies in property development and construction, ENCORP develops affordable infrastructure to create sustainable value for stakeholders

OUR VISION

To be recognised as the leading provider of value for money development and infrastructure, working with chosen partners to create sustainable value

OUR TAGLINE

Enlightened Corporation,
Makes Enlightened Nation

OUR VALUES

E

Excellence

We are engaged, enterprising, and resourceful problem-solvers, focusing on practical solutions to improve personal and organisational effectiveness and efficiency.

N

Nimbleness

We are agile, alert to changing conditions, focusing on speed of response.

C

Competence

We meet our objectives through collegial collaboration, coordination and teamwork.

O

Organisational Excellence

We are empowered, accountable, reliable, and open to new ideas to meet agreed deadlines.

R

Responsibility

We are resilient, dependable, and trustworthy partners.

P

Productivity

We achieve high levels of productivity through rational, competent problem-solving partnerships.

COVER RATIONALE

Enlightened in Action embodies ENCORP's commitment to turning purpose into progress. It reflects a shift in mindset from rebuilding to advancing with clarity, accountability and impact. In 2024, the Group achieved a defining turnaround, returning to profitability for the first time since 2016. This milestone was not the result of chance but the outcome of deliberate choices anchored in integrity, discipline and people-centred progress.

The theme reflects a company that no longer simply aspires to do better but demonstrates a continuous commitment to doing the right thing, even when it requires courage and resolve. This is evident in how we lead with transparency, embed sustainability in our design principles, and prioritise the welfare of our employees, communities and partners.

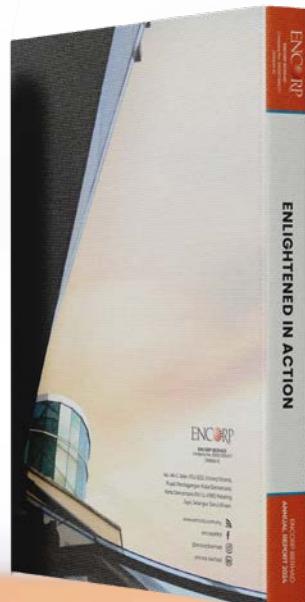
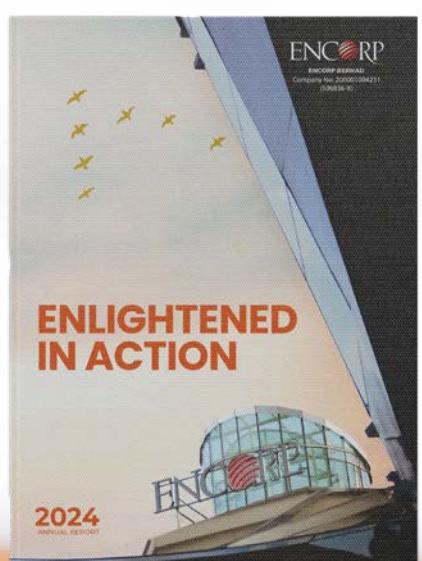
The visual tone of the cover supports this message. The upward architectural composition suggests growth, strength and aspiration. The flock of birds in flight symbolises unity, transformation and collective momentum, moving in sync towards a shared destination. The use of warm, energised tones such as orange and yellow evokes optimism, renewal and enlightened purpose.

Annual Report Formats



SCAN HERE to access the
ENCORP BERHAD ANNUAL REPORT 2024

All information provided is correct at time
of print and is subject to changes.



FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

28 Feb 2024	Announcement of the fourth quarter result of 2023 unaudited Loss Before Tax of RM9.1 million
27 Mar 2024	Announcement of the year end 2024 audited Loss Before Tax of RM8.4 million
30 May 2024	Announcement of the first quarter result of 2024 unaudited Profit Before Tax of RM9.8 million
28 Aug 2024	Announcement of the second quarter result of 2024 unaudited Profit Before Tax of RM2.9 million
27 Nov 2024	Announcement of the third quarter result of 2024 unaudited Loss Before Tax of RM13.1 million

ENCORP BUSINESSES

	01 Property Development			03 Construction	
	02 Investment Property			04 Concessionaire	

25th

Annual General Meeting
of Encorp Berhad



SPACEHUB Lot S-31, Second Floor,
Strand Mall,
No.1, Jalan PJU 5/23,
Pusat Perdagangan Kota Damansara,
Kota Damansara PJU 5,
47810 Petaling Jaya, Selangor Darul Ehsan.



Wednesday, 25 June 2025, 3.00pm

ENCORP AT A GLANCE

128

Skilled workforce

Workforce Diversity

and Equal Opportunity

52%
Male
48%
Female

Total
7,013 hours
of training in 2024

128 Volunteers donated

1,814 hours
of service to local communities
in 2024

Presence



Board Composition

- 1 Independent Non-Executive Chairman
- 2 Non-Independent Non-Executive Directors
- 2 Independent Non-Executive Directors

Recognition of Standards

through many industry accolades since 2010

Commitment to Quality

- ISO 9001: 2015 Certified Quality Management System
- Quality Assessment System in Construction by the Construction Industry Development Board

Incorporated in
2000

Listed on the Main Market Bursa Malaysia
Securities Berhad since
2003

Net Assets Per Share
RM1.35

Attributable to owners of the parent

Shareholders' Funds
RM335.03 million

Attributable to owners of the parent

Market capitalisation of
RM66.5 million

6 SDGs

Focus Areas



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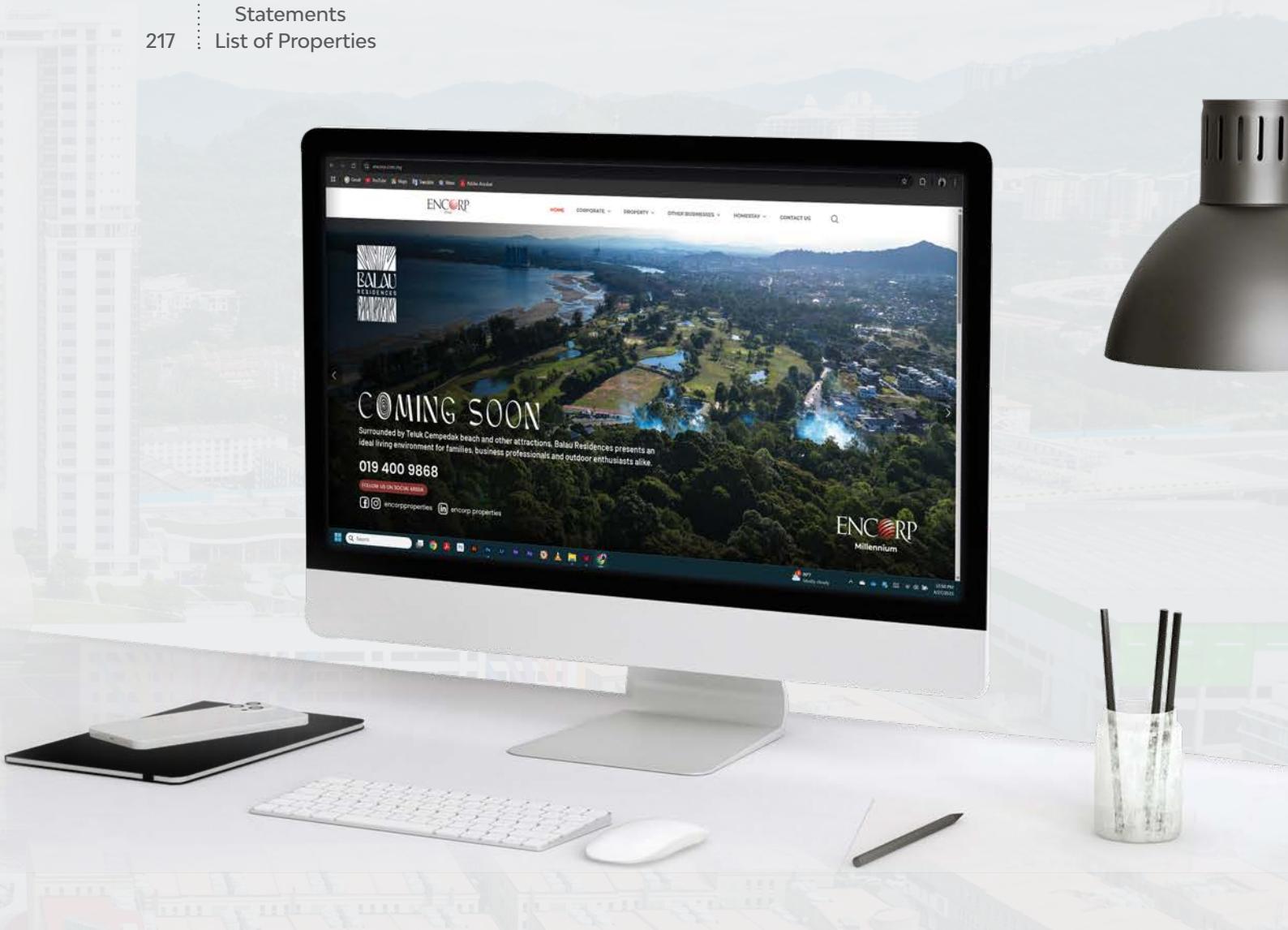
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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is my privilege to present the Annual Report for Encorp Berhad (ENCORP or the Group) for the financial year ended 31 December 2024. The year in review brought significant progress as we continued our pursuit of sustainable growth while staying grounded in integrity, resilience and a shared purpose.



Mohd Yusmadi Bin Mohd Yusoff
Chairman

A Defining Turnaround

This past year signified a defining turning point for ENCORP. After a long period of transformation, we returned to profitability for the first time since 2016. This result reflects the strength of our strategy, discipline in execution and our deep-rooted commitment to doing the right thing. The journey to this achievement was not straightforward or easy. It required a renewed mindset, bold decisions and the collective resilience of our people across all levels of the organisation.

I would like to begin my message by expressing my sincere appreciation to our Board of Directors. Their guidance and vigilance played a key role in restoring our financial footing, reinforcing confidence and steering the Group with foresight and responsibility. Their counsel provided the clarity we needed to act swiftly and decisively when it mattered most.

Key Messages

Returned to Profitability

First annual profit since 2016 marking a major turning point driven by discipline, values and resilience.

Strengthened Governance & Deepened ESG Commitment

Fostered unity and people-first values as the foundation for long-term, responsible growth.

Guided by Muafakat & Shared Purpose

Ethical leadership, data protection, employee welfare and environmental sustainability.

Stronger Through Values and Discipline

This wisdom guided us through a demanding year. We intensified oversight, enhanced operational accountability and carried out cost control and rationalisation measures that delivered immense efficiencies. These efforts gained strength from a shared culture of responsibility. More importantly, we leaned into the values that define ENCORP - integrity, trust and accountability.

Today, ENCORP has emerged stronger, more agile and more aligned than ever before. Our journey, though not without its challenges, demonstrated that ethical leadership and shared values drive real transformation. We held ourselves accountable at every level. By maintaining a zero-tolerance approach to bribery and corruption, we strengthened trust. We communicated clearly and openly, both internally and externally. These actions reinforced the values we stand for and shaped the progress we have made.

We also took concrete steps to strengthen our environmental, social and governance (ESG) foundation, enhancing data protection, promoting sustainable sourcing and ensuring that employee welfare remained a non-negotiable priority. These commitments reflect our aspiration to be an enlightened corporation and form the foundation of the values we strive to live by. We continue to embed these practices across the organisation, not as compliance requirements, but as part of who we are and what we believe.

Our journey continues to be guided by ethics, mutual respect and genuine care for each other. We believe an enlightened corporation must contribute responsibly to the nation. Profit alone cannot define our legacy. ENCORP must be a place where employees can thrive with dignity, where shareholders see long-term value and where our work contributes meaningfully to society.

As we move forward, we remain mindful that corporate growth must benefit the people we serve, those who trust us, work with us and rely on our services. Our responsibility is to deliver not just better business outcomes, but better lives.

Purpose Beyond Profit

We are driven by the belief that business must serve a higher purpose. Understanding what matters to the communities we serve and responding with intention has allowed ENCORP to remain relevant and responsive in a fast-changing world.

Our collaboration with the Federal Land Development Authority (FELDA) has given us the opportunity to build not just homes and infrastructure but a lasting impact. These initiatives serve the broader purpose of nation-building, uplifting communities, supporting livelihoods and bridging opportunity gaps.



Looking ahead, our efforts will continue to be guided by human-centred leadership. In 2025, the ENCORP Business Plan charts a clear course focused on strengthening governance, sharpening execution and fostering an environment that enables our employees to perform at their best. We will prioritise developments that meet real demand and operate with financial prudence.



Interview on radio streaming service, MACC FM

Topic: Tolak rasuah adalah tindakan yang berani

As a government-linked public company, ENCOPR holds a dual responsibility, to meet national priorities and shareholder expectations. We will continue to honour this responsibility with clarity, discipline and conviction. Strategic collaboration will play a key role in this journey, particularly as we deepen our alignment with FELDA's ecosystem, from housing and replanting infrastructure to broader community development.

The spirit of Muafakat continues to guide how we work. Our success depends on our ability to move as one. ENCOPR's diverse and dynamic workforce is united by shared values and a sense of purpose. Each of us plays a role in building a culture rooted in mutual respect, belonging and collective strength.

In Appreciation

The Board joins me in expressing our heartfelt appreciation to Encik Mahadzir Bin Mustafa for his exemplary contributions as a member of our Board. His commitment to good governance and steady counsel helped shape our progress. We also would like to welcome Nor Azira Binti Abu Bakar to the Board of Directors and look forward to insightful guidance as we embark on the next phase of growth and progress for the Group. I wish to take this opportunity to thank our continuing Board members, Datuk Haji Jaafar bin Abu Bakar, Tuan Haji Lukman bin Abu Bakar and Dato' Dr. Suzana Idayu Wati Binti Osman for their on-going support and contribution.

My gratitude also extends to our shareholders, customers, regulators and partners. You have been part of this journey and your confidence continues to guide our direction. To the entire ENCOPR team, your passion, grit and commitment brought us to where we are today. You are the reason for our recovery and the inspiration behind our optimism for the road ahead.

Let us continue this journey of being enlightened in action, turning insight into impact together.

Mohd Yusmadi Bin Mohd Yusoff

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



The operating landscape in 2024 was defined by uneven global recovery, persistent geopolitical uncertainties and evolving trade regulations. Domestically, Malaysia's economy remained stable, supported by resilient consumer demand and renewed private sector investment.

In this environment, Encorp Berhad (ENCORP or the Group) has updated its 2025–2029 Strategic Framework, reinforcing operational fundamentals and strengthening execution across its core businesses. The Group remained focused on navigating evolving market conditions while staying committed to delivering sustainable value for stakeholders.

OPERATING LANDSCAPE

Economic Environment¹

Global economic activity remained steady in 2024, supported by resilient labour markets and a gradual easing of monetary policy in major economies, though the pace of recovery varied across regions. Advanced economies continued to face persistent service inflation while emerging markets experienced more stable price levels. Global trade strengthened in the first half of the year on the back of demand for both electrical and electronics (E&E) and non-E&E goods, though momentum tapered in the later months. Commodity trends also shaped economic conditions, with Brent crude oil prices easing to an average of USD74 per barrel in the fourth quarter amid softer global demand, particularly from China. This decline helped contain inflation but posed mixed outcomes for exporters like Malaysia, where lower prices moderated earnings from crude oil and palm oil. Meanwhile, shifting trade policies and geopolitical uncertainty created volatility across supply chains and financial markets. Currency movements became more pronounced toward year-end due to changing interest rate expectations and the United States (US) presidential election, contributing to a weaker ringgit in the final quarter.

Despite these global headwinds, Malaysia remained resilient, supported by sound fundamentals, structural reforms and continued investment in infrastructure and digitalisation. In 2024, Malaysia's economy expanded by 5.1%, an improvement from the 3.6% growth recorded in 2023. This growth was driven by robust domestic demand, record-high approved investments and strong export performance. Bank Negara Malaysia maintained the Overnight Policy Rate at 3.0% throughout the year, supporting economic stability. Headline inflation moderated to 1.8% in the fourth quarter, down from 1.9% in the third quarter, contributing to increased consumer spending power. Despite external challenges, including the imposition of US tariffs on Malaysian exports, the country's diversified economic structure, helped cushion the impact.

¹Bank Negara Malaysia's 4Q 2024 Quarterly Bulletin (Vol. 39 No. 4)



Property Market Landscape²

Malaysia's property market recorded its strongest performance in over a decade in 2024, registering 420,545 transactions worth RM232.30 billion. This was a 5.4% increase in volume and an 18.0% jump in value compared to 2023. This exceptional growth was underpinned by broad-based expansion across all sub-sectors, supported by stable macroeconomic conditions, sustained demand and targeted government interventions. Key national policies such as the New Industrial Master Plan 2030 (NIMP 2030), the National Energy Transition Roadmap and the MADANI Economy Framework played a catalytic role in stimulating market confidence and activity. This positive momentum was reinforced by a series of government initiatives introduced under Budget 2023 and 2024. These initiatives included:

- Full stamp duty exemption for first-time homebuyers on residential properties priced up to RM500,000, effective until 31 December 2025.
- Develop a high-tech industrial area in Kerian, Northern Perak, to strengthen the E&E cluster in the Northern Region.
- RM546 million allocation for the continued implementation of 36 Program Perumahan Rakyat (PPR) projects, including new units in Kluang, Johor, which is expected to benefit 5,100 potential new residents.
- RM358 million allocation to construct 3,500 housing units under the Program Rumah Mesra Rakyat.
- Up to RM10 billion in guarantees under Skim Jaminan Kredit Perumahan (SJKP), expanding financing access to 40,000 borrowers.

The residential sub-sector maintained its position as the largest contributor to overall market activity, accounting for 62.0% of total transactions by volume and 46.0% by value. Transaction growth was led by affordable homes priced below RM300,000, which made up more than half of all residential transactions, while the RM1.0 million and above category recorded the highest growth rate at 15.0%. Although new launches increased across most states, overall sales performance softened slightly. Meanwhile, the residential overhang situation improved, with a 10.3% decline in volume and a 21.2% reduction in value, though unsold under-construction units rose, especially in Perak, Selangor and Pulau Pinang.



Encorp Strand, Kota Damansara, Selangor

The commercial sub-sector also emerged as a key driver, with volume and value surging by 13.6% and 51.6%, respectively. Growth in the industrial sub-sector further reflected ongoing demand for vacant industrial land nationwide. Looking ahead, government incentives such as full stamp duty exemptions for first-time homebuyers, easing of Malaysia My Second Home (MM2H) programme requirements and guarantees under Skim Jaminan Kredit Perumahan (SJKP) are expected to continue underpinning market resilience and sustaining investor and consumer interest across key regions.

²National Property Information Centre (NAPIC) Property Market Report 2024



ENCORP'S BUSINESS ACTIVITIES

ENCORP is an investment holding company with diversified interests across property development, construction management, investment property and facilities management. Established in 2000 and listed on the Main Market of Bursa Malaysia in 2003, ENCORP has built a significant presence in the property and construction industry. Felda Investment Corporation Sdn Bhd, the investment arm of the Federal Land Development Authority (FELDA), is a major shareholder, holding a 62.3% equity stake in the Company.

In property development, ENCORP continues to deliver residential and commercial projects that support urban growth and community development. ENCORP's developments include Encorp Strand in Kota Damansara, Encorp Cahaya Alam in Shah Alam, Encorp Marina Puteri Harbour in Iskandar Puteri and The Residences of McCallum Lane in Victoria Park, Australia. The Group also manages investment properties such as Strand Mall, Warna Avenue and the Encorp Strand Garden Office (ESGO) carpark.

In the construction and concessionaire segments, ENCORP holds Grade G7 and G4 certifications with the Construction Industry Development Board (CIDB) and is recognised as a Bumiputra Contractor Class A. The Company's portfolio includes notable projects such as the Electrified Double Track Rail project (Seremban-Gemas line), refurbishment work for the Sarawak School Project and the RM1.8 billion national teachers' housing project for the Ministry of Education.

The Group also operates a facilities management business that offers integrated services, including asset and energy management, central monitoring and building maintenance. Through its construction segment, ENCORP undertakes internal and third-party projects supported by a dedicated project management team. The concessionaire segment manages its long-term contract with the Government of Malaysia for the construction of teachers' quarters, contributing stable recurring income to the Group.

ENCORP's Business Segments



Property Development

GDV: RM3.5 billion

- Encorp Strand, Kota Damansara, Selangor
- Encorp Cahaya Alam, Shah Alam, Selangor
- Encorp Marina Puteri Harbour, Iskandar Puteri, Johor Bahru
- The Residences of McCallum Lane, Victoria Park, Australia
- 880 North Lake Road, Cockburn Centre, Australia
- Lamanda Chuping, Perlis
- Cahaya Kristal, Kota Kinabalu, Sabah
- Balau Residences, Kuantan, Pahang



Investment Property

GDV: RM305.5 million

- Strand Mall (Shopping Mall)
- Warna Avenue (Shop Office)
- Encorp Strand Garden Office (ESGO) Carpark



Construction & Concessionaire

Book Value: RM1.4 billion

- National Teachers' Housing Project
- Tilia, Encorp Cahaya Alam, Shah Alam, Selangor
- Lamanda Chuping (Phase 1), Perlis

STRATEGY FOR GROWTH

STRATEGIC FRAMEWORK POSITIONING FOR LONG-TERM, SUSTAINABLE VALUE

ENCORP's strategy remains focused on strengthening its fundamentals while positioning the Group for long-term, diversified growth. Amid a subdued property market and operational headwinds in 2024, the Group continued to advance its Strategic Blueprint (2021-2025), which is anchored on delivering sustainable income, expanding a diversified portfolio and building strong corporate branding.

ENGINE OF GROWTH FRAMEWORK

SUSTAINABLE INCOME	DIVERSIFIED PORTFOLIO	CORPORATE BRANDING
S1 Property Development	D1 Facilities Management	C1 Stakeholders' Management
S2 Investment Property	D2 ESG / Sustainables	C2 Sales & Service Culture
S3 Construction	D3 Green Venture	C3 Social Responsibilities
	D4 Hospitality - Hotel Operations	

CRITICAL KEY ENABLERS

Strengthen Core Business Strong Human Resource Capabilities Strategic Partnership Alliance

The Strategic Framework is developed to ensure reliable income generation capacity, strong cash flows and profits to fund dividend distribution and future expansion plans. Each pillar is further supported by critical operational enablers.

Sustainable Income	Our core business anchors the Group's resilience, contributing recurring income while leveraging ENCORP's proven capabilities in development and construction.
Diversified Portfolio	Diversification enhances earnings stability while opening new avenues for sustainable growth.
Corporate Branding	Building a cohesive brand and stakeholder trust remains a priority for long-term competitiveness.

This strategic framework is supported by critical enablers such as strong human capital and strategic partnerships, and equips us with the agility and capacity to navigate dynamic market conditions while consistently delivering on our value-creation mandate.

UNDERTAKING A STEADY AND PHASED APPROACH

In 2024, ENCORP continued making steady progress along its strategic framework, which outlines a phased approach to sustainable growth. This structured journey moves from building a strong operational base to expanding market presence and scaling performance. Designed to evolve with the Group's capabilities and market conditions, the phases serve as a dynamic guide for long-term value creation.

Having completed the foundational phases, ENCORP is now progressing from market establishment to growth acceleration. This is a concerted move toward scaling operations, broadening revenue streams and reinforcing resilience. Each phase builds upon the strengths of the previous one, creating a continuous momentum aligned with the Group's strategic ambitions.

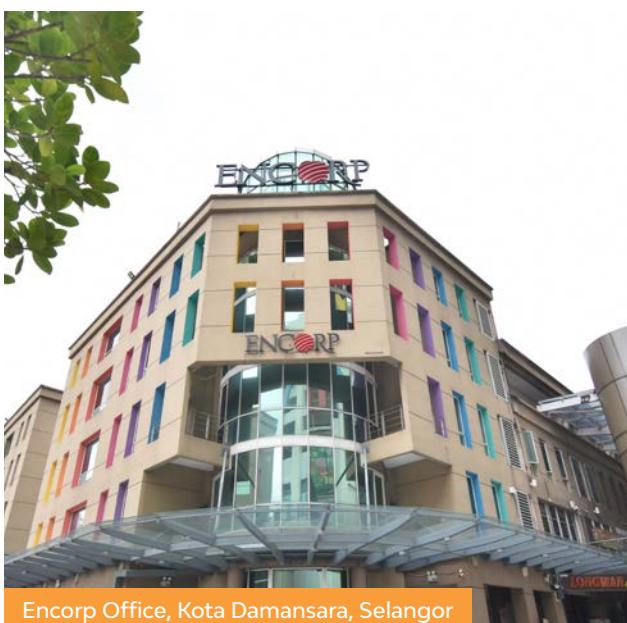
A key strategic focus lies in unlocking the latent potential of FELDA-linked landbanks, building synergistic partnerships and exploring new income streams via sustainable projects. We have also embedded digitalisation and ESG drivers to future-proof our operations and enhance our long-term value proposition.

2024 FINANCIAL REVIEW

Key Performance Indicators	2024	2023	2022
Group Revenue	RM104.0 million	RM129.2 million	RM137.5 million
Property Revenue	RM53.1 million	RM69.4 million	RM73.4 million
Profit/(loss) Before Tax	RM6.1 million	(RM1.1 million)	(RM7.5 million)
Profit/(loss) After Tax	RM3.4 million	(RM8.5 million)	(RM18.2 million)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	RM59.5 million	RM60.5 million	RM60.7 million
Earnings/(loss) Per Share Attributable to owners of the parents (EPS) cent per/share	0.57 sen	(2.9 sen)	(6.37 sen)
Return on Capital Employed (ROCE)	7.5%	7%	6%
Return/(loss) on Equity (ROE)	0.01	(0.03)	(0.06)
Net Asset Per Share Attributable to the owners of the parents	RM1.35	RM1.04	RM1.06
Market Capitalisation	RM66.5 million	RM85.5 million	RM69.7 million

GROUP FINANCIAL PERFORMANCE

In 2024, ENCORP faced a challenging financial landscape, but strategic gains positively impacted overall performance. Total revenue declined by 20%, from RM129.2 million in 2023 to RM104.0 million in 2024. This contraction was largely attributed to weaker performance in the Property Development segment, which recorded RM53.1 million in revenue, down 23.5% from RM69.4 million the previous year. The decline reflects intensified competition in the property market, which affected overall sales performance.



Encorp Office, Kota Damansara, Selangor

Despite the softer revenue base, the Group achieved a significant turnaround in profitability. Profit before tax improved from a loss of RM1.1 million in 2023 to a profit of RM6.1 million in 2024. This notable recovery was primarily driven by strategic financial management, including the reversal of RM6.6 million and RM14 million (totalling RM20.6 million) in previously allocated cost of sales, gains in fair value adjustments of investment properties and the reversal of written-down inventories amounting to RM2.2 million and RM1.8 million, respectively. These gains bolstered the Group's financial position and demonstrated resilience in navigating a volatile economic environment.

Profit after tax improved to RM3.4 million in 2024, compared to a net loss of RM8.5 million in the previous year. Earnings per share also improved, narrowing to a profit of 0.57 sen/pershare from a wider loss of 2.90 sen/pershare in 2023. Return on capital employed

remained steady at 7.5%, while return on equity increased marginally to 0.01% from negative 0.03%, reflecting a stronger capital base and improved earnings.

The Group's gearing ratio improved from 10% in 2023 to 7% in 2024, reflecting a more active approach to managing financial leverage in support of operational and growth objectives.

The calculation of the gearing ratio includes trade and other payables within the borrowings used to determine the net debt position, offering a more comprehensive and accurate view of the Group's financial standing. The ratio improvement indicates operational efficiency and profit retention, which strengthens equity and support future growth initiatives.

Market capitalisation at the end of 2024 stood at RM66.5 million, down from RM85.5 million in the previous year. The decline was influenced by market sentiment and share price volatility amid broader macroeconomic uncertainties.

In line with its prudent financial approach, the Board of Directors did not declare dividends for the financial year. The Group remains focused on strengthening its financial position to support business recovery and future growth, and the Board will reassess dividend distribution once earnings stabilise and cash flow conditions improve.



Encorp Strand, Kota Damansara, Selangor

SEGMENTAL FINANCIAL PERFORMANCE

Property Development Segment

The Property Development segment recorded revenue of RM53.1 million in 2024, a 23.5% decline from RM69.4 million in the previous year. This reduction reflects lower contributions from projects such as Iris and Lily.

The Tilia project at Encorp Cahaya Alam emerged as a significant contributor, representing 33% of total segment revenue. Tilia generated RM17.3 million, driven by the sustained development progress of its current phase. Iris, also located at Encorp Cahaya Alam, contributed RM9.7 million in revenue during the year.

The Encorp Marina Puteri Harbour project in Iskandar Puteri delivered improved performance, with revenue rising to RM8.0 million in 2024 compared to RM5.7 million in the previous year. This increase reflects stronger market demand and the project's strategic positioning within the southern economic corridor.

Meanwhile, Encorp Strand Garden Office in Kota Damansara contributed RM10.7 million to the Group. Lamanda Chuping (Phase 1) Rumah Mampu Milik and Rumah Kos Sederhana, which were completed in April 2024, collectively added RM3.0 million to the portfolio.

Although overall revenue declined, the segment achieved a notable improvement in profitability. The loss before tax narrowed substantially, driven by the reversal of RM6.6 million and RM14 million (totalling RM20.6 million) in cost provisions previously recognised in earlier project cycles. This reversal contributed to a 57% reduction in quarterly losses in the fourth quarter and positively impacted the full-year position.

The following is the property development revenue breakdown by projects:

Property development revenue	2024 (RM'million)	2023 (RM'million)	2022 (RM'million)
Iskandar Puteri, Johor			
Encorp Marina Puteri Harbour	8.0	5.7	13.3
Kota Damansara, Selangor			
Encorp Strand Residences	-	(0.9)	-
Encorp Strand Garden Office	10.7	-	-
Kota Kinabalu, Sabah			
Cahaya Kristal	1.1	0.1	-
Encorp Cahaya Alam, Selangor			
Tilia	17.3	0.8	-
Iris	9.7	41.6	-
Lily	-	22.1	35.9
Clover	3.0	-	19.7
Bungalow Land	0.3	-	-
Dahlia	-	-	2.9
Magnolia	-	-	1.6
Lamanda Chuping (Phase 1), Perlis			
Rumah Mampu Milik	1.7	-	-
Rumah Kos Sederhana	1.3	-	-
Total	53.1	69.4	73.4

Investment Property Segment

The Investment Property segment delivered a commendable performance in 2024, recording a 31% increase in revenue, from RM5.2 million in 2023 to RM6.8 million. This improvement was driven by the success of strategic marketing initiatives that focused on enhancing tenant engagement and optimising occupancy across ENCORP's retail properties.

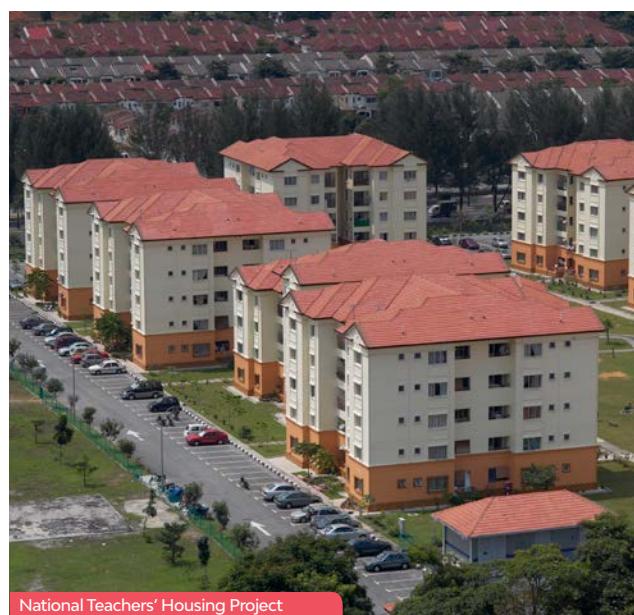


Strand Mall recorded a rise in occupancy, improving from 73% in 2023 to 75% in 2024, supported by improved tenant mix and leasing efforts. Warna Avenue also contributed positively, with occupancy increasing from 78% to 80% over the same period. The sustained uplift reflects the Group's targeted marketing approach, which emphasises attracting the right tenant profile and strengthening brand visibility. These efforts collectively reinforced the segment's revenue position and the effectiveness of the Group's retail asset management strategy.

Construction & Concessionaire Segment

The Construction segment recorded a total revenue of RM36.1 million in 2024, with RM2.1 million derived from external customers and RM34.1 million from inter-segment activities. Despite ongoing project execution, the segment posted a loss before tax of RM0.1 million.

The segment's modest revenue contribution and overall financial loss reflect ongoing challenges in project delivery, scale limitations and tighter margins in the current contracting environment. The underperformance was largely due to the non-realisation of expected revenue from several projects. The Group is currently reviewing its project pipeline and tendering approach to pursue external opportunities and improve commercial viability moving forward.



SEGMENTAL BUSINESS OPERATIONAL REVIEW

PROPERTY DEVELOPMENT SEGMENT

In 2024, ENCORP's Property Development segment navigated a more cautious and competitive market environment shaped by shifting buyer sentiment and tighter affordability thresholds. During the year, we continued advancing ongoing developments at Encorp Cahaya Alam, with Tilia emerging as the segment's largest revenue contributor. We also progressed with Lamanda Chuping in Perlis and maintained momentum at Encorp Marina Puteri Harbour. While overall revenue declined due to the tapering of high-performing projects such as Iris and Lily, the segment benefited from a more balanced portfolio and demonstrated improved operational discipline.

ENCORP's active property development pipeline includes several strategically positioned developments. These comprise Tilia Encorp Cahaya Alam in Shah Alam, Cahaya Kristal in Kota Kinabalu, Balau Residences in Kuantan and Lamanda Chuping (Phase 1) in Perlis. These projects serve to unlock value from the Group's landbank while providing recurring income potential and supporting broader housing objectives.

As at January	2024	2023	2022
Total Landbank Size	44.90 acres	44.90 acres	45.39 acres

2024 Property Development Highlight

ENCORP CAHAYA ALAM, SHAH ALAM, SELANGOR



GDV
RM996 million

Land size
210 acres

Undertaken by
Must Ehsan Development Sdn Bhd
(Joint venture between Encorp Must Sdn Bhd and Selangor State Development Corporation)

Encorp Cahaya Alam is a master-planned township located in Section U12, Shah Alam, offering a balanced mix of residential, commercial and recreational spaces designed to support modern, community-focused living. Spanning 210 acres, the development reflects ENCORP's commitment to quality, livability and long-term value creation.

The township enjoys convenient accessibility via major highways, including the New Klang Valley Expressway (NKVE), the Federal Highway and the North-South Expressway (NSE). Its connectivity will be further enhanced with the upcoming Light Rail Transit Line 3 (LRT3), expected to begin operations in 2025, with nearby stations such as Universiti Teknologi MARA Shah Alam (UiTM Shah Alam) and Section 7.

Residents benefit from proximity to a wide range of established amenities. Leading education institutions such as Universiti Teknologi MARA (UiTM), Universiti Selangor (UNISEL), Management and Science University (MSU) and MAZ International School are easily accessible. Popular retail and leisure destinations in the area include AEON Mall Shah Alam, SACC Mall and Central i-City.

Encorp Cahaya Alam comprises several residential precincts, including Tilia, Iris, Lily, Clover, Dahlia and Akasia, each with distinct architectural features and well-planned surroundings. Landscaped parks, jogging tracks, playgrounds and community spaces are integrated throughout the township, fostering a safe and vibrant environment for families and residents.

IRIS, ENCORP CAHAYA ALAM, SHAH ALAM



COMPLETED

Completed in April 2024

GDV

RM57 million

Land size

5.48 acres

Low-density 59 units of
2-storey Super-Link Homes

Iris is a thoughtfully designed residential enclave within Encorp Cahaya Alam, comprising 59 units of 2-storey Super-Link Homes. Spanning a total development area of approximately 5.6 acres, IRIS offers a low-density living environment that balances contemporary aesthetics with functional design.

Designed to meet the evolving needs of modern families, Iris homes feature spacious built-up areas ranging from 2,575 to 2,728 square feet, with four bedrooms and three bathrooms across two well-configured levels. The development includes two distinct architectural typologies, each offering unique façade treatments, open-plan layouts and high ceilings that promote a sense of lightness and space. Select units also include semi-courtyard features that can be personalised into private garden spaces.

Construction for Iris was completed in April 2024, with vacant possession and handovers progressing as scheduled. The project achieved commendable sales traction throughout the year, contributing RM9.7 million in revenue to ENCOPR's Property Development segment in 2024. Its performance underscores continued buyer interest in well-located, thoughtfully designed landed homes within the mature and accessible neighbourhoods of Shah Alam.

TILIA, ENCORP CAHAYA ALAM, SHAH ALAM



ON-GOING

Launched in September 2023

GDV

RM116 million

Land size

9.13 acres

112 units of 2-storey Super-Link Homes

Tilia marks the final phase of the Encorp Cahaya Alam township, which first began development over two decades ago. Launched in September 2023, this highly anticipated residential enclave introduces 112 units of 2-storey Superlink Homes designed to reflect the evolving needs of post-pandemic living.

Previously known as Akasia 2, Tilia features thoughtfully crafted homes that prioritise comfort and modern aesthetics. Notable design elements include dedicated convertible spaces to accommodate work-from-home (WFH) arrangements, functional interior layouts, pitched roofs and seamless indoor-outdoor transitions. Selected corner units are fitted with private swimming pools.

Tilia is targeted for completion by December 2025 and will serve as the township's capstone residential offering. Tilia emerged as the Group's top revenue contributor in 2024, delivering RM16.8 million or 32% of total Property Development revenue. This reflects strong market interest in premium landed properties that offer both space and design flexibility.

LAMANDA CHUPING, KANGAR, PERLIS



Lamanda Chuping is ENCORP's mix of residential and commercial property development located in Perlis, delivered under the FELDA initiative. The project aims to provide affordable housing specifically for the new generation of FELDA communities.

LAMANDA CHUPING (PHASE 1) - RESTORATION DEVELOPMENT



COMPLETED

Completed in April 2024

GDV

RM35 million

Land size

25 acres

Mix of residential and commercial properties

In April 2024, ENCORP completed Phase 1 of the Lamanda Chuping development in Perlis, which comprises 241 units, including 158 units of Rumah Mampu Milik, 66 units of Rumah Kos Sederhana, 17 commercial lots and a petrol station land. The development received its Certificate of Completion and Compliance (CCC) in 2024, and the process of handing over vacant possession is currently underway.

Strategically located adjacent to FELDA Chuping and along Jalan Chuping Padang Besar, which connects Chuping to Arau and Kangar, the project is part of a broader initiative to enhance the quality of life for FELDA's new generation. Lamanda Chuping also enjoys proximity to higher learning institutions, including Universiti Malaysia Perlis (UniMAP), further adding to its appeal as a well-connected, community-focused development.

LAMANDA CHUPING (PHASE 2) - DEVELOPMENT

LAMANDA CHUPING
by ENCORP
2

UPCOMING

To be launched in 2025

GDV

RM86 million

Land size

21 acres

Mix of residential and commercial properties

The second phase of the Lamanda Chuping development is planned for launch in 2025, building on the successful completion of Phase 1. Phase 2 will introduce 289 units of terrace homes and 13 shop lots across a 21-acre site, continuing ENCORP's collaboration with FELDA to deliver accessible housing and commercial opportunities in Perlis. This next phase is designed to meet the growing demand for quality, medium-cost residences while further unlocking value from the Group's northern landbank.



CAHAYA KRISTAL, KOTA KINABALU, SABAH



ON-GOING

Launched in July 2023

GDV

RM80.9 million

Land size

1.6 acres

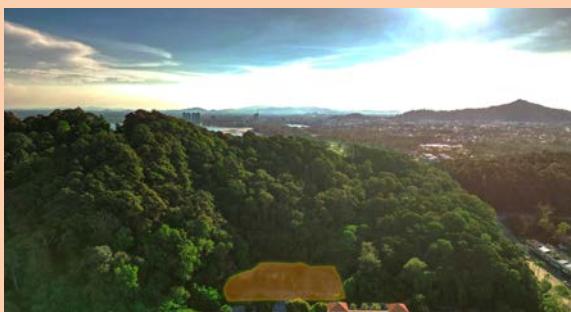
Low-density leasehold development

Cahaya Kristal is ENCORP's first development in East Malaysia, strategically located in the prime Bukit Kepayan area of Kota Kinabalu, Sabah. Cahaya Kristal is a freehold residential project that features 166 units housed within a 10-storey tower, offering panoramic views of the South China Sea and the surrounding green hilltops. Designed to appeal to families and lifestyle-focused buyers, the development balances privacy with accessibility, featuring close proximity to key amenities, transportation hubs and educational institutions.

Lifestyle offerings include a swimming pool, rooftop terrace, convenience shop, gym, children's playground, indoor and outdoor gym, laundry room and a multi-tiered security system. In line with ENCORP's sustainability commitment, Cahaya Kristal will integrate energy-efficient lighting, water conservation systems and green building materials. Launched in July 2023 with the official opening of its sales gallery, the project is targeted for completion by July 2026.

In 2024, Sabah's high-rise residential market showed stable performance, with condominiums and apartments recording 355 transactions worth RM124.9 million in the second quarter alone. Properties priced below RM300,000 remained the top choice among buyers. Although the market faced rising construction and transportation costs, which are likely to push property prices higher, overall buyer sentiment stayed positive, supporting a resilient property sector.

BALAU RESIDENCES, TELUK CEMPEDAK, KUANTAN, PAHANG



UPCOMING LAUNCH

GDV

RM545.9 million

Land size

4.97 acres

Mix of residential and commercial properties

- Unveiled official name - Balau Residences
- 700 serviced apartments, a 220-unit hotel and 23 commercial units, providing diverse living and business spaces.
- GreenRE certification target, solar panels, passive design and energy conservation

Balau Residences is ENCORP's landmark beachfront development in Teluk Cempedak, Kuantan, positioned near key eco-tourism and recreational landmarks. This project is undertaken through its joint venture company, Encorp Millennium Sdn Bhd, with Touch Millennium Sdn Bhd. Spanning 4.97 acres of prime freehold land, the project carries a GDV of over RM545.9 million and comprises 700 serviced apartment units and a 220-units hotel, along with 23 commercial lots.

Balau Residences is surrounded by a mix of single- and double-storey semi-detached and detached residential homes, vacant development lands, a golf course, a zoo, a forest reserve and a beach. Key amenities nearby include Teluk Cempedak Beach, Hyatt Regency Hotel, fast food chains and Kuala Tembeling Resort. Other notable sites in the vicinity are Zoo Teruntum, Kelab Golf DiRaja Pahang, MBK Swimming Pool, government offices, shopping malls, healthcare facilities and educational institutions. Prominent residential areas nearby include Taman Princeton, Taman Teluk Cempedak, Pelindung Heights, Pesisiran Residences and Taman Pelindung.

The project was officially named at a groundbreaking ceremony in May 2024 and is scheduled for launch in Quarter 4 of 2025 with construction scheduled to begin in early 2026. Designed with a Spanish-Mediterranean influence and guided by sustainable building principles, Balau Residences will feature a blend of lifestyle facilities, an infinity pool, gym, electric vehicle charging station and rooftop gardens, while targeting GreenRE certification. The development aims to deliver coastal living integrated with environmental responsibility.

INVESTMENT PROPERTY SEGMENT

In 2024, ENCORP's Investment Property segment recorded a stable year of performance, supported by improved occupancy rates across its key assets, Strand Mall and Warna Avenue.

Strand Mall



Warna Avenue



Strand Mall is ENCORP's flagship retail asset, offering a curated mix of shopping, dining and entertainment experiences across four levels, with a total lettable area of 249,276 sq. ft. The mall features a dedicated al fresco boulevard and is supported by ample parking facilities, including 1,000 covered bays and outdoor spaces. Strategically located in Kota Damansara, Strand Mall enjoys seamless connectivity via the North Klang Valley Expressway (NKVE), Lebuhraya Damansara-Puchong (LDP), Damansara-Shah Alam Elevated Expressway (DASH), Persiaran Surian and Persiaran Mahogani. Integrated with Encorp Strand Residences, a serviced apartment tower, the mall also benefits from a built-in residential catchment. With a distinct positioning that embraces arts, culture and family-friendly attractions, Strand Mall continues to strengthen its role as a lifestyle and community hub.

Warna Avenue, formerly known as Red Carpet Avenue, is a 90-ft-wide, 800-ft-long covered al fresco boulevard designed for lifestyle and leisure. With a total lettable area of 168,471 sq. ft., it accommodates a vibrant mix of dining outlets, office spaces, entertainment venues and event areas. Following a revitalisation exercise, Warna Avenue has been repositioned to appeal to a wider demographic, enhancing its role as a complementary lifestyle destination to Strand Mall. Its open-air design and flexibility make it an ideal space for community engagement, casual gatherings and pop-up activations, further diversifying ENCORP's investment property income stream.

Overall occupancy across the Strand Mall and Warna Avenue increased to 77% (320,936 sqft) of total lettable area, compared to 75% in 2023, reflecting consistent tenant retention and leasing momentum. On a unit basis, occupancy improved to 71% (194 units), up from 69% the previous year.

Overall Retail Mall & Warna Avenue Tenants

	Strand Mall			Warna Avenue			Total Overall		
	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022
Occupied Units	66%	65%	50%	78%	74%	64%	71%	69%	56%
Occupied Area	75%	72%	71%	80%	78%	68%	77%	75%	70%
New Tenancy	11 new tenants occupying 23 units	23 new tenants occupying 31 units	11 new tenants occupying 24 units	5 new tenants occupying 9 units	9 new tenants occupying 17 units	9 new tenants occupying 14 units	16 new tenants occupying 32 units	32 new tenants occupying 48 units	20 new tenants occupying 38 units

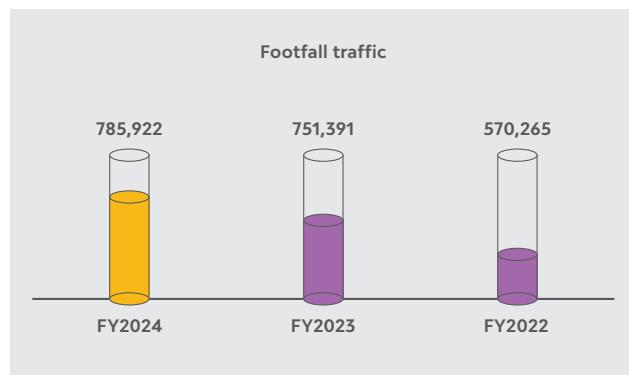
Strand Mall recorded an occupancy rate of 75% by area and 66% by units, a modest increase from 73% and 65%, respectively in 2023. The mall's performance benefited from ongoing efforts to refresh its tenant mix and expand rentable spaces, although some newer retail units are still being stabilised. Warna Avenue maintained its steady performance with 80% occupancy by area and 78% by unit, up from 78% and 74% in the prior year.

The segment continues to generate additional revenue from non-retail spaces that are not captured in the formal occupancy calculations. These include car park level tenancies along with newer pushcart tenants and niche space activations including the introduction of indoor courts for pickle ball. These alternative revenue streams help to diversify income sources and enhance asset yield.

The year-on-year improvement reflects the Group's commitment to tenant engagement, leasing agility and operational resilience amid a gradually recovering retail property landscape.

Mall Footfall Performance

In 2024, Strand Mall recorded a total footfall of 785,922 visitors, a 4.6% increase from 2023. The uplift continues the positive momentum built through intensified promotional efforts and curated events that drew wider audiences in the previous year. While mid-year traffic showed signs of moderation, this reflects a broader industry recalibration as the market transitions from post-pandemic peaks to a more stable, sustainable rhythm. The shift in consumer behaviour and more selective spending signals a maturing retail landscape.



This performance contrasts with the broader retail property market, which showed continued signs of resilience. According to national retail space statistics, Malaysia's shopping complex occupancy rate rose to 78.8% in 2024 (2023: 77.4%), with available space declining to 3.82 million square metres as vacancy rates improved. Selangor, where Strand Mall is located, remained the largest contributor to national retail supply, accounting for 20.4% of all available space.

To address the lower visitor turnout, ENCORP remains focused on enhancing destination appeal through a refreshed tenant mix, placemaking initiatives and curated lifestyle experiences. These efforts aim to sustain relevance and strengthen the mall ecosystem in an increasingly competitive and experience-driven retail environment.

CONSTRUCTION AND CONCESSIONAIRE SEGMENT

ENCORP provides construction and construction management services to both internal and external clients, applying specialised project management techniques to ensure control over project timeframes, costs and quality. Our expertise spans planning, design coordination and execution, with a focus on delivering efficient and value-driven outcomes.

Among ENCORP's completed projects is the Government of Malaysia's teachers' housing programme, which involved the development of 10,000 residential units across 109 sites in nine states, including Sabah and Sarawak. Delivered under a long-term privatisation agreement, the programme continues to generate recurring income through monthly concession payments of RM11.3 million until 2028.

ENCORP also built its reputation through the effective use of Industrialised Building System (IBS) technology in the teachers' housing project. This approach enabled faster construction timelines, consistent quality, cleaner and safer sites, and reduced reliance on manual and foreign labour through offsite manufacturing of key components. These capabilities continue to support the Group's broader development and construction portfolio.

ENCORP CONSTRUCTION & ENGINEERING SDN BHD (ECESB)

- CIDB Perakuan Pendaftaran Kontraktor (PPK) G7
- CIDB 3-Star SCORE
- CIDB Sijil Perolehan Kerja Kerajaan (SPKK)
- CIDB Sijil Taraf Bumiputera
- FELDA Sijil Akuan Pendaftaran
- Suruhan Perkhidmatan Air Negara Permit IPA Jenis C1 (Bekalan Air)
- Unit Perancangan Ekonomi (UPEN) Selangor
- Felda Global Ventures e-certificate
- Air Selangor Sijil Akuan Pendaftaran e-vendor

ENCORP DEVELOPMENT SDN BHD (EDSB)

- CIDB Perakuan Pendaftaran Kontraktor (PPK) G4
- CIDB 2-Star SCORE
- CIDB Sijil Perolehan Kerja Kerajaan (SPKK)

Replanting Projects

ENCORP has expanded its construction capabilities into plantation infrastructure through a palm oil replanting programme for FELDA. The initial phase covered 868 hectares with a contract value of RM3.67 million. This project capitalised on the Group's competencies in land clearing, site preparation and logistics, which are applied to the agricultural sector.

The scope also includes coconut replanting and palm oil seed logistics. Our continued success in securing replanting and plantation-related contracts throughout 2024 supports the Group's strategy to diversify its construction portfolio and build recurring income streams beyond traditional property development.

Coconut Replanting Programme

ENCORP is leading a replanting initiative to convert rubber plantations into coconut plantations across three FELDA sites: Teloi Timur, Lawin Utara and Palong. The scope of work includes comprehensive replanting services encompassing labour, machinery and technical support. This project, valued at RM500,000 million, was completed in the fourth quarter of 2024.

Logistics Services for Palm Oil Seed

ENCORP has been engaged in providing end-to-end logistics services from nurseries to the replanting sites across FELDA plantations throughout Peninsular Malaysia. The project supports the annual mobilisation of approximately 1.5 million seeds and plays a critical role in ensuring timely and efficient plantation replanting activities. With a contract value of RM500,000, the project was completed in the fourth quarter of 2024.



OUTLOOK AND EXPECTATIONS

Economic Outlook 2025

The global outlook for 2025 is shaped by persistent market volatility, ongoing geopolitical tensions and structural headwinds in major economies. Trade restrictions, currency fluctuations and supply chain realignments continue to affect business costs and operational resilience across industries. Rising government debt levels worldwide have constrained fiscal space, with tighter public spending expected to impact infrastructure allocations and economic stimulus in several markets.

Closer to the region, challenges in China's property sector have led to spillover effects on investor confidence, commodity prices and construction-related demand. These risks are compounded by escalating conflicts and pockets of social unrest, contributing to greater caution among global investors and consumers.

Malaysia's economy is projected to grow between 4.5% and 5.5% in 2025, supported by sustained domestic consumption, infrastructure investment and a gradual recovery in external trade. Fiscal policies will continue to play a key role in driving national development and social spending, while a stable OPR is expected to preserve favourable credit conditions for businesses and consumers.

The outlook remains broadly positive across key sectors, with stronger private sector investment and targeted government allocations under Budget 2025 anticipated to support national growth. Consumer confidence is expected to improve gradually as inflation moderates, creating a more stable environment for discretionary spending and household investment decisions.

Property Market Outlook 2025

The property market outlook remains cautious, with affordability challenges and shifting buyer preferences shaping developer strategies. Although financing access and buyer sentiment have begun to stabilise, structural issues such as end-financing limitations, unsold stock and cautious lending policies continue to affect transaction volumes and launch activity.

Developers are likely to prioritise clearing existing inventory and focus on demand-driven products, particularly in the affordable and mid-market segments. Budget 2025 offers renewed support for home ownership through housing credit guarantees and incentives for first-time buyers. These measures are expected to strengthen demand within key price ranges, especially for practically designed, well-located homes.

Against this backdrop, ENCORP remains focused on maintaining operational flexibility, strengthening cost efficiency, and advancing developments that are aligned with clear market demand. In 2025, the Group will continue its disciplined approach to project selection and capital allocation, guided by product-market alignment and affordability considerations. In parallel, income diversification through the concession, construction and plantation-linked infrastructure segments will continue to support earnings stability and long-term business resilience.

OUR FOCUS AHEAD

ACCELERATING GROWTH THROUGH STRATEGIC EXECUTION

In 2025, ENCORP will embark on a new five-year strategic focus framework, executing key initiatives outlined for 2025–2029. This framework will not only strengthen our foundation for the next stages of ENCORP's growth journey but will also bring sharper focus to the development and optimisation of our project portfolio.

As ENCORP advances into the next phase of growth, our strategic focus remains anchored on unlocking value through expanding our footprint, strategic partnerships and diversifying our project portfolio to ensure sustainable, long-term returns. Central to this agenda is our collaboration with FELDA to map and develop underutilised land with township potential. Through targeted land development projects and rural-urban transformation initiatives, we aim to lead in delivering housing solutions that support FELDA's new generation while contributing to broader national development goals.



We are also deepening our commitment to geographic diversification by expanding beyond the Klang Valley into high-growth economic corridors such as Iskandar Malaysia, the East Coast Economic Region (ECER) and the Northern Corridor Economic Region (NCER). We will also continue to build strategic alliances with local authorities, government-linked entities and real estate partners to pursue large-scale projects, particularly in public housing

and infrastructure. These partnerships are key to unlocking scale, securing recurring income streams and reinforcing ENCORP's role as a trusted partner in nation-building and community development.



Encorp Marina Puteri Harbour, Iskandar Puteri, Johor

We are also intensifying efforts to activate untapped value within our existing landbank, pursue select land acquisitions and explore green ventures as part of our commitment to sustainability and long-term asset value enhancement. We will continue to sharpen our focus on international opportunities by assessing the development or monetisation potential of overseas assets, such as The Residences on McCallum Lane in Victoria Park and 880 North Lake Road land in Cockburn Centre, Australia. These assets represent a valuable extension of our portfolio and offer strategic optionality as we evaluate optimal market timing, joint-venture models and capital recycling strategies.



The Residences on McCallum Lane in Victoria Park

CAPITALISING ON OPPORTUNITIES TO STRENGTHEN OUR BUSINESS SEGMENT

Property Development

Malaysia's macroeconomic outlook remains stable, supported by Bank Negara Malaysia's decision to maintain the OPR at 3.00% as of February 2025. This continued monetary stance provides a favourable financing environment for homebuyers and developers alike. Against this backdrop, ENCORP is well-positioned to capitalise on emerging opportunities, backed by a healthy landbank of 39.42 acres across strategic locations in Selangor, Perlis, Sabah, Pahang and Western Australia, supporting near-to-medium-term project delivery.

LAND BANK (As at 1.1.2025)	ACRES	LAST TILL (years)
Bandar Shah Alam, Selangor • Tilia, Encorp Cahaya Alam	9.13	2026
Chuping, Perlis • Lamanda Chuping (Phase 2)	21.00	2030
Kota Kinabalu, Sabah • Cahaya Kristal	1.60	2026
Teluk Cempedak, Pahang • Balau Residences	4.97	2029
Cockburn Centre, Australia • 880 North Lake Road	2.72	2029
	39.42	

ENCORP will continue to advance the development of Tilia in Shah Alam, scheduled for completion in the fourth quarter of 2025 and expand its property footprint into East Malaysia through Cahaya Kristal in Kota Kinabalu. This 10-storey residential project, set for completion in the third quarter of 2025, will not only broaden our geographical reach but also capture growth opportunities in a maturing urban market with rising middle-income housing demand.

In Kuantan, our joint venture project, Balau Residences in Teluk Cempedak is strategically aligned with upcoming infrastructure enhancements. With the East Coast Rail Link (ECRL) over 78% complete and its first phase expected to begin operations by January 2027, this development is well-timed to benefit from improved regional connectivity and the anticipated uplift in tourism and residential interest.

ENCORP PROPERTIES

  [encorpproperties](#)



Investment Property

The Investment Property segment continues to perform steadily, supported by rising occupancy across ENCORP's key assets. Strand Mall and Warna Avenue have recorded improved rental take-up, aided by strategic tenant mix enhancements and community engagement efforts. Strand Mall's inclusion in the Sustainable Energy Development Authority (SEDA) programme underscores ENCORP's commitment to embedding ESG practices within its asset management strategy. These initiatives are expected to generate long-term tenant stability and align with broader sustainability goals.

Construction and Concessionaire

ENCORP's construction and concessionaire segment remains anchored by a mix of recurring and project-based income. The successful completion of Lamanda Chuping (Phase 1), a collaborative initiative with FELDA, highlights the Group's ability to deliver affordable housing at scale. Planning for Lamanda Chuping (Phase 2) is expected to commence in the latter half of 2025, with a renewed focus on medium-cost housing to support community needs and enhance regional liveability.

ENCORP has also strengthened its presence in plantation-linked construction, having completed palm oil replanting contracts with FELDA. Building on this success, the Group aims to expand its role as both developer and contractor within FELDA's replanting and infrastructure programmes. This dual capability presents a pathway for continued diversification, income stability and greater value creation for both ENCORP and its partners.

Strengthening core business capabilities remains central to our approach. We will continue to invest in our people, processes and systems and deepen our partnerships to enhance competitiveness and delivery.

Hospitality and Facilities Management

In line with our portfolio diversification strategy, ENCORP is broadening its footprint into the hospitality sector with plans to develop a hotel component at Balau Residences, leveraging the growing eco-tourism market in Kuantan. At the same time, we are strengthening our Facilities Management capabilities to support both existing and future projects, ensuring a sustainable stream of recurring income. Enhancing these service offerings will not only complement our core businesses but also reinforce ENCORP's long-term competitiveness, operational resilience and growth trajectory.

Risk Management

The Group's business activities and operational processes are governed by its Risk Management Guidelines, enabling the Group to systematically identify, evaluate, mitigate and monitor financial, operational and strategic risks. This framework is critical in safeguarding the Group's assets and ensuring sustainable value creation for all ENCORP stakeholders.

Strengthening Core Business Capabilities

Strengthening core business capabilities remains central to our approach. We will continue to invest in our people, processes and systems, and deepen our partnerships to enhance competitiveness and delivery across all sectors.

PROFILE OF BOARD OF DIRECTORS

Encik Mohd Yusmadi Bin Mohd Yusoff

Independent Non-Executive Chairman
Chairman of Advisory Committee



Gender
Male



Age
51 Years



Nationality
Malaysian



Date of Appointment
29 September 2023

Yusmadi has an illustrious career spanning over two decades as an Advocate and Solicitor of the High Court of Malaya, showcasing unparalleled excellence in both contentious and non-contentious cases.

Having been associated with several of Malaysia's premier law firms, he has advised and defended high-profile individuals and corporations both nationally and internationally. Currently, he serves as a Senior Partner at Fahda Nur & Yusmadi.

In addition to his significant legal achievements, Yusmadi has been deeply committed to public service. His term as a Member of Parliament for Balik Pulau, Pulau Pinang from 2008 to 2013, and as a Senator and Ahli Dewan Negara from 2018 to 2021, highlights his dedication.

Notably, during this time, he chaired the Senate Reform Committee, Executive Committee of the Commonwealth Parliamentary Association (CPA), Inter Parliamentary Union (IPU), and was appointed to the Parliamentary Committee on Anti-Corruption by Duli Yang Maha Mulia Seri Paduka Baginda Yang Di Pertuan Agong.



Yusmadi's contributions on the global stage are equally notable. He was chosen by the Secretary-General of the Commonwealth as an Election Observer for the Maldives Presidential Election in 2013.

He has also been a regular invitee to the Middle East Enriching Economy (Doha Forum), organised by the Qatar Government in collaboration with the Middle East Development Institute, UCLA. Furthermore, Yusmadi's invitation by Stephen Schwarzman of Blackstone, along with other selected global leaders, to be a Member of the Interview Panel of Schwarzman Scholars at Tsinghua University, Beijing, highlights his global recognition.

He has been honoured with esteemed recognitions like the first cohort of Lee Kuan Yew Senior Fellowship in Public Service at the Lee Kuan Yew School of Public Policy, National University of Singapore by the Government of Singapore, the Draper Hills Democracy & Development Fellowship at the Centre on Democracy, Development, and the Rule of Law, Stanford University, and the Hubert H. Humphrey Fellowship by the Fulbright Commission, USA.

Yusmadi holds an LL.B (Hons) from International Islamic University Malaysia (IIUM) and an LL.M in International Legal Studies from Washington College of Law, American University, Washington D.C. He has also been appointed as an Adjunct Professor at the International Institute of Islamic Thought & Civilization (ISTAC-IIUM).

His recent inclusion as a Member of the Consultative Council of Foreign Policy (CCFP) for the Ministry of Foreign Affairs of Malaysia's Madani Government further attests to his unique expertise in blending corporate leadership with governmental insights.

Mohd Yusmadi Mohd Yusoff does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company. He has not been convicted of any offence within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

YBhg Datuk Haji Jaafar Bin Abu Bakar

Independent Non-Executive Director

Chairman of the Audit, Risk and Governance Committee

Member of Nominating and Remuneration Committee



Gender
Male



Age
79 Years



Nationality
Malaysian



Date of Appointment
24 July 2014

Datuk Haji Jaafar Bin Abu Bakar is a Malaysian whose career has been working with both the public and private sector institutions.

Datuk Haji Jaafar completed his studies at University of Malaya with Bachelor of Arts (Honors) in 1969. He obtained a Master's degree in Public Policy and Administration from University of Wisconsin's La Follette School of Public Affairs (Center for Development), Madison U.S.A in 1980. He is a Fellow member of Economic Development Institute of the World Bank, Washington, D.C.

Datuk Haji Jaafar started his career as a Land Administrator in FELDA before joining the Malaysian Civil Service in 1970. Being an officer of the Malaysian Administrative and Diplomatic Service, he had been involved in the implementation of development plans at regional/state levels. He was State Development Officer of Penang, Pahang and Kelantan. He also had the opportunity to head public enterprises and actively involved in trust agency activities. He served as

Director/Chief Executive Officer (CEO) of Kelantan Land Development Board and later as General Manager/CEO of Kelantan State Economic Development Corporation from 1984 to 1990. He was one of the founding members of Gemaputra (Bumiputra Trust Agencies Union) and became its Chairman in 1988-1989.

Datuk Haji Jaafar has served as a Board Member of the Malaysian Industrial Development Authority, He completed his public service as Deputy Secretary General of the Ministry of Domestic Trade and Consumer Affairs in 1991.

Moving into private sector, Datuk Haji Jaafar became Group General Manager of Koperasi Usaha Bersatu Holdings Berhad (KUB) in 1991. He subsequently took up the position as Executive Director and Managing Director of Damansara Realty Berhad until 1995. He served as Executive Chairman of Cold Storage (Malaysia) Berhad from 1996 to 1998 and subsequently as President/CEO of Uniphoenix Corporation Berhad until 2006. He served as a member of FELCRA Board from 1998 to 2007. He was then a board member of Mission Biotechnologies Sdn Bhd and Mission Biofuels Sdn Bhd, the two subsidiary companies of Mission NewEnergy Limited which is listed on the Australian Stock Exchange (ASX), the company involves in biodiesel industry.

Datuk Haji Jaafar was a Director/ Chairman of Petaling Tin Berhad from 1997 until 2019. Currently, He is the Chairman of Tajaria Sdn. Bhd.

Datuk Haji Jaafar does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company. He has not been convicted of any offence within the past 5 years, not any public sanction or penalty imposed by regulatory bodies during the financial year.



PROFILE OF BOARD OF DIRECTORS

YBhg Dato' Dr. Suzana Idayu Wati Binti Osman

Non-Independent Non-Executive Director
Member of Nominating and Remuneration Committee
Member of Advisory Committee



Gender
Female



Age
57 Years



Nationality
Malaysian



Date of Appointment
3 November 2022

Dato' Dr. Suzana Idayu Wati Osman ("Dato' Dr. Suzana") holds a PhD in Finance from Universiti Putra Malaysia and completed the Advanced Management Programme at Harvard Business School in Boston, USA. She also holds a Master's in Business Administration (Finance) from University Putra Malaysia and a Bachelor of Arts (Honours) in Business Studies from the University of Huddersfield, United Kingdom.

Dato' Dr. Suzana is a distinguished and highly experienced C-suite professional with more than 30 years of expertise across various industries, bringing a wealth of strategic insights and transformative leadership to her roles. With a strong background in food, agriculture, financial services, and institutional asset management, she has held numerous board positions and C-level roles, offering unique perspectives in managing multi-business corporate entities and multi-asset financial portfolios. She served as Chairperson, Board of Directors and Advisors to more than 40 entities across various sectors such as plantation, downstream agri-business, oleochemicals, consumer goods, technology, travel, property, livestock, logistic, trading, fintech, education and private equity. Previously, she held significant positions in esteemed



organisations such as serving as Chairperson of the Board of Trustees at the Malaysian Sustainable Palm Oil (MSPO), Vice Chairperson of Institutional Investors Council Malaysia and a board member of Minority Shareholders Watch Group.

Dato' Dr. Suzana is presently a board member of MSM Malaysia Holdings Berhad and also serves on the Nomination and Remuneration Committee. In Addition, she is the Chairperson of IIUM Holdings Sdn. Bhd. and a Public Interest Director of Private Pension Administrator Malaysia (PPA), where she also serves on both the Audit and Risk Management Committee and the Nomination and Remuneration Committee. She is also a director of Encorp Berhad and a member of its Nomination and Remuneration Committee. Furthermore, she sits on the board of Felda Investment Corporation (FIC) Sdn. Bhd., where she is a member of the Board Governance, Risk and Audit Committee and the Board of Investment Committee. She also serves as a trustee on the Board Trustees of Yayasan FELDA.

Dato' Dr. Suzana was appointed as the Director-General of the FELDA effective 5 November 2024.

Dato' Dr. Suzana does not have any family relationship with director and/or major shareholder or any conflict of interest with the company. She has not been convicted of any offence within the 5 years ago, nor has any public sanction or penalty been imposed by regulatory bodies during the financial year.

PROFILE OF BOARD OF DIRECTORS

Tuan Haji Lukman Bin Abu Bakar

Independent Non-Executive Director

Member of Audit, Risk and Governance Committee

Chairman of Nominating and Remuneration Committee



Gender
Male



Age
66 Years



Nationality
Malaysian



Date of Appointment
14 September 2021

Tuan Haji Lukman holds Bachelor of Urban and Regional Planning (Hons) from University of Technology Malaysia and Post Graduate Diploma of Housing, Building and Planning from Institute for Housing Studies, Rotterdam, and Holland. He also attended Management Programme at Asian Institute of Management in Manila, Philippines.

Tuan Haji Lukman held various senior management positions in Johor Corporation (JCorp) and progressed to chairmanship and directorship of companies within JCorp Group. He started his career in 1982 as a Town Planning Officer. He was the Deputy Manager in 1989. He was then promoted to Senior General Manager of JCorp in 2006 and then served as Senior Vice President in JCorp in 2009. He was appointed as Chief Executive of Property Division of JCorp in 2011 until his retirement in 2019.

Tuan Haji Lukman's career in Johor Land Berhad (JLand) began in 2010 as the Managing Director and upon his retirement at Jcorp, he was appointed as the Business Advisor of JLand until 2020.

Tuan Haji Lukman was seconded to Pasir Gudang Municipal Council as Assistant Secretary back in 1989 and moved up to Manager cum Deputy Secretary in 1992. He also served as the Secretary of Pasir Gudang Municipal Council in 2004. He was appointed as the first President of Pasir Gudang Municipal Council when the Pasir Gudang Local Authority was upgraded as a full-fledged Municipal Council on July 2008 until August 2009, after the Council was handed over to the administration of the State Government of Johor.

Tuan Haji Lukman joined Sindora Berhad as Deputy General Manager in 1993 and was promoted to General Manager in 1995, a position he held until 2004. He later served as a Board Member of DBhd from 2006 to 2014 and was also a Board and Audit Committee Member of Damansara REITs Managers Sdn Bhd from 2010 to 2020. Since 2015, he has been a member of Majlis Agama Islam Negeri Johor (MAINJ), where he sits on various committees and serves as a Director of its subsidiary company. Additionally, he is a Board Director of Waqaf An-Nur Corporation Berhad and the Chairman of its Board of Tender Committee. He also serves as an Audit Committee Member of Permodalan Darul Takzim Sdn Bhd (PDT) and an Investment Committee Member of Yayasan Pelajaran Johor (H) Sdn Bhd (YPIH).

Tuan Haji Lukman does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company. He has not been convicted of any offence within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year.



PROFILE OF BOARD OF DIRECTORS

Nor Azira Binti Abu Bakar

Non-Independent Non-Executive Director
Member of Audit, Risk and Governance Committee



Gender
Female



Age
46 Years



Nationality
Malaysian



Date of Appointment
27 March 2025

Nor Azira Abu Bakar (Puan Nor Azira) brings with her over 20 years of experience in financial and management accounting and treasury matters. She has held various senior leadership positions in both government-linked entities and the private sector, specializing in financial planning, risk management, regulatory compliance, and corporate reporting.

Nor Azira is currently serving as the Finance Director at Lembaga Kemajuan Tanah Persekutuan (FELDA) since November 2020. She plays a key role in supporting the organization's strategic and operational planning, identifying financial risks and opportunities, and implementing corrective actions to maintain financial stability.

Prior joining FELDA, Nor Azira served as Head of Finance at FGV Holdings Berhad, Felda Engineering Services Sdn Bhd and Felda Properties Sdn Bhd from 2007 to 2020. Earlier in her career, Nor Azira served as Accounts Executive at Maju Holdings Berhad, Opcor Holdings Berhad, and Suria Resorts Management Sdn Bhd.



Nor Azira presently serves as a Board Member for multiple FELDA subsidiaries, including Felda Asset Holdings Company Sdn. Bhd. (FAHCSB), Felda Plantation Management Sdn. Bhd. (FPMSB), FIC Integrated Property Management Sdn. Bhd. (FIC IPM), and Felda D'Saji Sdn. Bhd. Additionally, she is a Member of Jawatankuasa Pemandu Hal Ehwal Tanah FELDA FGV, Mesyuarat Jawatankuasa Kecil Penilaian Blueprint (MJKPB) Tanam Semula, and Jawatankuasa Tanam Semula Peringkat Ibu Pejabat. She also serves as treasurer for Yayasan FELDA and Koperasi Permodalan FELDA Malaysia 2 Berhad (KPF2), further strengthening financial oversight within these organizations. Her extensive involvement highlights her leadership in financial management, corporate strategy, and governance across FELDA and non-FELDA entities.

Nor Azira does not have any family relationship with any director and/or major shareholder or any conflict of interest with the company. She has not been convicted of any offence within the past 5 years, nor has any public sanction or penalty been imposed by regulatory bodies during the financial year.

SENIOR MANAGEMENT TEAM

01



KAMARUL AZMAN BIN KAMAROZAMAN @ AMIR
Acting Group Chief Executive Officer / Group Chief Financial Officer

02



WILLIAM SEOW
Head of Corporate Strategy & Business Development Division

03



DATIN NORSYELA BINTI JAAFAR
Head of Corporate Affairs & Communications Division

04



ARMAN IDZMY BIN OMAR
Assistant General Manager, Risk, Governance and Integrity

05



EZZUDDIN BIN HASSAN
General Manager, Property and Business Development & Green Ventures (Public Sector)

06



TS. HJ. MAT AKHER BIN HASSAN
Senior Manager, Technology & Digital

07



SITI MASITAH BINTI IBRAHIM
Company Secretary



SENIOR MANAGEMENT TEAM

01

KAMARUL AZMAN BIN KAMAROZAMAN @ AMIR Acting Group Chief Executive Officer / Group Chief Financial Officer

Age	Gender	Nationality	Date of Appointment
52	Male	Malaysian	July 2024

Academic/Professional Qualifications

- B.A. (Honours) of Accountancy Studies, University of Portsmouth, United Kingdom
- Member of Association of Chartered Certified Accountants
- Member of Chartered Institute of Islamic Finance Professionals
- Member of Malaysian Institute of Accountants
- Member of Securities Commission Market Representation License

Past Experience

Actively involved and held various portfolios in Finance, Property and Infrastructure facilities with more than 27 years of experience including in public listed companies:

- Ernst & Young LLP, Kuala Lumpur (1998)
- KPMG Europe LLP, Bucharest (2005)
- PricewaterhouseCoopers LLP, Milton Keynes (2006)
- Financial Controller for Skrill Ltd, London HQ, United Kingdom (2010)
- Financial Controller for Aimia Inc. Ltd, London HQ, United Kingdom (2013)
- Director, Head of Finance & Investment Operations for CIMB Principal Asset Management Berhad (2013)
- Chief Financial Officer for Agrobank Berhad (2017)
- Chief Financial Officer for AmanahRaya Kenedix REITs (2023)

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year

02

WILLIAM SEOW Head of Corporate Strategy & Business Development Division

Age	Gender	Nationality	Date of Appointment
53	Male	Malaysian	February 2012

Academic/Professional Qualifications

- Bachelor of Business in Accounting and Computing from Swinburne University of Technology, Australia
- Member of Certified Public Accountant Australia
- Member of Malaysia Institute of Accountants

Past Experience

Actively involved and held various portfolios in Advisory, Finance and Property with more than 30 years of experience including in public listed companies:

- Consultant in Transaction Advisory Services and Assurance Department for Ernst & Young, Kuala Lumpur (1995)
- Senior Executive in Corporate Finance, Merger & Acquisition for Petaling Tin Berhad (2001)
- Finance Manager for Metroplex Berhad (2004)
- Senior Finance Manager for Sunway City Berhad and Sunway Berhad (2007)

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year

SENIOR MANAGEMENT TEAM

03

DATIN NORSYELA BINTI JAAFAR

Head of Corporate Affairs & Communications Division

Age	Gender	Nationality	Date of Appointment
48	Female	Malaysian	February 2017

Academic/Professional Qualifications

- Bachelor of Graphic Design & Marketing from Curtin University of Technology, Australia
- Master of Business Administration from INTI International University, Malaysia
- Member of Malaysia Institute of Human Resource Management
- Member of International Association of Human Resources

Past Experience

Actively involved and held various portfolios in Education and Property with more than 20 years of experience including in public listed companies:

- Assistant in Investor Relations and Corporate Planning for PECD Berhad (2005)
- Senior Manager in Network Development, Human Resource and Administration Services for Limkokwing University (2007)
- Senior Manager in Corporate Relations, Business Development and Human Resource for Studylink Sdn Bhd (2009)
- Head of Corporate Relations, Human Resource and Business Development for KRU Academy (2011)
- Manager in Corporate Relations and Marketing for Taylor's University (2013)

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year

04

ARMAN IDZMY BIN OMAR

Assistant General Manager, Risk, Governance and Integrity

Age	Gender	Nationality	Date of Appointment
48	Male	Malaysian	October 2016

Academic/Professional Qualifications

- Bachelor of Accounting and Finance from John Moores Liverpool University
- Master of Forensic Accounting and Financial Criminology from University Technology MARA, Malaysia

Past Experience

Actively involved and held various portfolios in Internal Audit and Advisory with more than 24 years of experience including in public listed companies:

- Internal Audit Executive for AmMerchant Bank Berhad (2001)
- Senior Executive in Advisory Services for Ernst and Young (2005)
- Internal Audit Manager for DRB-HICOM (2010)
- Internal Audit Manager for Sapura Kencana Petroleum Berhad (2014)

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year



SENIOR MANAGEMENT TEAM

05 EZZUDDIN BIN HASSAN

General Manager, Property and Business Development & Green Ventures (Public Sector)

Age	Gender	Nationality	Date of Appointment
57	Male	Malaysian	September 2014

Academic/Professional Qualifications

- Diploma In Town and Regional Planning from Institute Teknologi Mara
- Bachelor of Science in Town and Regional Planning from Institute Teknologi MARA
- Master of Business Administration from Universiti Kebangsaan Malaysia
- Member of the Malaysian Institute of Planner

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year

06 TS. HJ. MAT AKHER BIN HASSAN

Senior Manager, Technology & Digital

Age	Gender	Nationality	Date of Appointment
58	Male	Malaysian	August 2012

Academic/Professional Qualifications

- Diploma in Computer Science from University Technology MARA, Malaysia
- Master of Information Technology from Open University Malaysia
- Registered Professional Technologist with the Board of Technologists Malaysia
- Member of Technology Association Malaysia
- Member of Malaysia Board of Technology

Past Experience

Actively involved and held various portfolios in Property and Construction Management with more than 30 years of experience including in public listed companies:

- Executive in Planning and Liaison for Sri Damansara Sdn Bhd (1996)
- Senior Executive in Planning and Liaison for Sri Damansara Sdn Bhd (1998)
- Assistant Manager in Property Division for Land & General Berhad (1998)
- Manager in Property and Assets for Glenmarie Property Sdn Bhd, a subsidiary of DRB-HICOM Berhad (2010)
- Administrative Officer in the Housing Department for FELDA (2012)
- Planning Manager in Property and Construction for Felda Investment Corporation (2013)

Past Experience

Actively involved and held various portfolios in Logistics, Transportation, Warehousing & Depot, Broadcasting and Property with more than 35 years of experience including in public listed companies:

- Programmer for Shapadu Kontena Berhad (1990)
- Analyst Programmer for Diperdana Corporation Berhad (1995)
- Senior Executive in Information Technology for Konsortium Logistik Berhad (1997)
- System Analyst for Casaville Technology Services Sdn Bhd, a company owned by Natseven TV Sdn Bhd (2001)
- IT Manager for Glenmarie Properties Sdn Bhd, a subsidiary of DRB-HICOM Berhad (2012)

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year

SENIOR MANAGEMENT TEAM

07

SITI MASITAH BINTI IBRAHIM

Company Secretary

Age	Gender	Nationality	Date of Appointment
37	Female	Malaysian	July 2024

Academic/Professional Qualifications

- Diploma in Public Administration from University Technology MARA
- Bachelor of Corporate Administration from University Technology MARA
- Affiliate Member of The Malaysian Institute of Chartered Secretaries and Administrators
- Licensed Company Secretary

Past Experience

Actively involved and held various portfolios in Corporate Secretarial, governance and compliance with more than 13 years of experience including in public listed companies:

- Assistant Company Secretary for Liang Secretarial Services Sdn Bhd (2013)
- Assistant Company Secretary for Cenasih Management & Services Sdn Bhd (2014)
- Assistant Company Secretary for Evermonde Caseey Consultants Sdn Bhd (2014)
- Senior Secretarial Executive for LBS Bina Group Berhad (2018)
- Senior Secretarial Executive for Gabungan AQRS Berhad (2019)
- Assistant Manager Secretarial Unit for Encorp Berhad (2022)

Declaration

- Does not hold directorship in any other public companies and listed issuers
- Does not have any family relationship with any director and/or major shareholder or any conflict of interest with the Company
- Has not been convicted any offences within the past 5 years, nor any public sanction or penalty imposed by regulatory bodies during the financial year

CORPORATE PROFILE

Listed on the Main Market of Bursa Malaysia Securities Berhad on 11 February 2003, Encorp Berhad (ENCORP or the Group) is a property development and management services company that is headquartered in Petaling Jaya, Malaysia.

The Group's holding company is Felda Investment Corporation Sdn Bhd (FIC), the investment arm of the Federal Land Development Authority (FELDA), which holds a 62.30% equity stake.

ENCORP's four main business segments comprise property development, investment property (retail mall, shop offices & carpark units), construction and concessionaire, with property development as its core business area. The Group's footprint of landbanks and property portfolio encompasses Malaysia and Australia, all situated in strategically prime development locations.

Since inception, ENCOPR has focused its value creation efforts towards engendering sustainable and meaningful outcomes for its ecosystem of stakeholders. The company has leveraged on its industry credibility and accreditations, and its proven track record in property development and management, to identify value accretive opportunities to drive its growth in the longer term and ensure its business sustainability.

ENCOPR's developments include:

Past and on-going developments

ENCOPR is recognised for building value-added properties with innovative designs, superior workmanship and finishing, within a well-planned concept. A reflection of our contribution can be seen in the various projects listed below:

- 01 Encorp Strand, Kota Damansara – a mixed development with Gross Development Value (GDV) of RM1.03 billion and fully completed.
- 02 Encorp Cahaya Alam, Shah Alam – a mixed development consisting of residential and commercial properties with GDV of RM996 million and expected to be completed by 2026.
- 03 Encorp Marina Puteri Harbour, Iskandar Puteri – a commercial and serviced apartment development with GDV of RM595.8 million and fully completed.
- 04 The Residences on McCallum Lane, Victoria Park, Australia – a residential apartment development with GDV of RM81.6 million and fully completed.
- 05 Lamanda Chuping (Phase 1), PWF Chuping Kangar, Perlis - a mixed development with GDV of RM35 million.
- 06 Cahaya Kristal, Kota Kinabalu, Sabah - a residential apartment development with GDV of RM80.9 million and expected to be completed by 2026.

01



02



03



04



05



06



Future developments

- 07 Balau Residences, Kuantan, Pahang – a mixed development with GDV of RM545.9 million and expected to be completed by 2029.
- 08 880 North Lake Road, Cockburn Centre, Australia - a land bank with GDV of RM7.2 million.
- 09 Lamanda Chuping (Phase 2), PWF Chuping Kangar, Perlis - a mixed development with GDV of RM86 million and expected to be completed by 2030.

The Group's uncompromising commitment is evident from its innovative lifestyle-centred developments that seek to cater to evolving customer needs and expectations, centred on holistic lifestyles and community living that are the hallmarks of modern life. ENCORP's unwavering commitment resulted in Iris at Encorp Cahaya Alam being awarded a Quality Assessment System in Construction (Qclassic) rating of 81%, or "High Quality", by the Construction Industry Development Board (CIDB) in 2024; Lily at Encorp Cahaya Alam a Qclassic score of 81% in 2023; Encorp Marina Puteri Harbour receiving a Qclassic score of 75% in 2018, and Encorp Strand Residences a Qclassic score of 72% in 2017.

The Group has a range of subsidiaries that specialise in specific areas related to its three main business segments. Encorp Must Sdn Bhd and Must Ehsan Development Sdn Bhd provide property development and construction services, and are accredited with ISO 9001:2015 certification. ENCORP's investment property arm, Encorp Strand Mall Sdn Bhd manages Strand Mall, a lifestyle neighbourhood mall in Kota Damansara. Encorp Facilities Management Sdn Bhd specialises in facility management services, while Encorp Construction and Infrastructure Sdn Bhd provides industry-specific construction and infrastructure solutions. Both Encorp Construction and Infrastructure Sdn Bhd and Encorp Construction and Engineering Sdn Bhd are registered as Bumiputra Contractors Class A under Contractor Service Centre (PKK) and possess a Grade G7 with Construction Industry Development Board (CIDB). Encorp Development Sdn Bhd is G4 certified by the CIDB, with Encorp Construction and Engineering Sdn Bhd having an additional electrical and mechanical specialisation under the CIDB certification.

Towards building robust foundations that will ensure the Group's sustained long-term value creation journey, ENCORP has effected its transformation journey towards becoming a leading company in the property development sector in Malaysia. Underlying this is ENCORP's focus on upholding the highest standards of corporate governance, which has been recognised through awards such as the Corporate Governance Asia Recognition Award 2013, the 1st Asian Company Secretary of the Year Award 2013 and the Best Investor Relations Company at the 7th Asian Excellence Recognition Awards 2017.

The Group highly values its employees, as it is human capital that drives its strategic performance and business outcomes. The Group's sustained efforts led to HR Asia identifying it as a winner in the Best Companies to Work for in Asia Awards for 2019 and 2021, adding to awards obtained previously, such as the Human Resource Asia Best Companies to Work for in Asia 2018 Award, as well as the Silver Medal Award for Employer of Choice (Private Sector) at the Malaysia Human Resources Awards 2018.

ENCORP is constantly looking for opportunities to further expand its businesses locally and internationally in the property and construction arena. The Group is also amenable to expand its service offerings and one of these is to establish a facilities management function to support the maintenance of our buildings and assets as well as to explore opportunities in complementary sectors such as hospitality and green ventures.

Committed and dedicated to help move ENCORP in its journey of growth and expansion is the Board of Directors comprising Mohd Yusmadi Bin Mohd Yusoff, YBhg Datuk Haji Jaafar Bin Abu Bakar, YBhg Dato' Dr. Suzana Idayu Wati Binti Osman, Tuan Haji Lukman Bin Abu Bakar, Nor Azira Binti Abu Bakar as well as by the Acting Group Chief Executive Officer and Group Chief Financial Officer, Kamarul Azman Bin Kamarozaman @ Amir.

CORPORATE INFORMATION

BOARD OF DIRECTORS



Mohd Yusmadi Bin Mohd Yusoff

*Non-Executive Chairman,
Independent Non-Executive Director*



YBhg Datuk Haji Jaafar Bin Abu Bakar

Independent Non-Executive Director



YBhg Dato' Dr. Suzana Idayu Wati

Binti Osman

Non-Independent Non-Executive Director



Tuan Haji Lukman Bin Abu Bakar

Independent Non-Executive Director



Nor Azira Binti Abu Bakar

Non-Independent Non-Executive Director

AUDIT, RISK AND GOVERNANCE COMMITTEE

YBhg Datuk Haji Jaafar Bin Abu Bakar
Chairman

Tuan Haji Lukman Bin Abu Bakar
Member

Nor Azira Binti Abu Bakar
Member

NOMINATING AND REMUNERATION COMMITTEE

Tuan Haji Lukman Bin Abu Bakar
Chairman

YBhg Datuk Haji Jaafar Bin Abu Bakar
Member

YBhg Dato' Dr. Suzana Idayu Wati
Binti Osman
Member

ADVISORY COMMITTEE

Mohd Yusmadi Bin Mohd Yusoff
Chairman

YBhg Dato' Dr. Suzana Idayu Wati
Binti Osman
Member

COMPANY SECRETARY

Siti Masitah Binti Ibrahim
LS0010549
SSM PC No. 202408000444

AUDITORS

Ernst & Young PLT (AF 0039)
Registration No. 202006000003
(LLP0022760-LCA)

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : ENCORP
Stock Code : 6076

REGISTERED OFFICE

No. 40-3 (03A), Jalan PJU 5/22,
Putat Perdagangan Kota Damansara,
Kota Damansara PJU 5,
47810 Petaling Jaya,
Selangor

Tel: (6) 03 62867777
Fax: (6) 03 62867717
Email: encare@encorp.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Putat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel: (6) 03 2084 9000
Fax: (6) 03 2094 9940
Email: info@sshsb.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad

Bank Islam Malaysia Berhad

United Overseas Bank (Malaysia)
Berhad

Bank Muamalat Malaysia Berhad

SOLICITORS

Zul Rafique & Partners

C.S. Tan Seah & Partners

Sanjay Mohan

Zaid Ibrahim & Co

Zain Megat & Murad

Rosli Dahlan Saravana Partnership

CORPORATE **STRUCTURE**





Subsidiary Company	Percentage (%)	Principal Activity	Place of Incorporation
Encorp Must Sdn Bhd	100	Investment Holding and Property Project Management	Malaysia
Must Ehsan Development Sdn Bhd	70	Property Development	Malaysia
Encorp Strand Mall Sdn Bhd	100	Property Investment	Malaysia
Encorp Parking Sdn Bhd	100	Property Investment	Malaysia
Red Carpet Avenue Sdn Bhd	100	Investment Holding	Malaysia
Encorp Development Sdn Bhd	100	Property Development	Malaysia
Encorp Iskandar Development Sdn Bhd	100	Property Development	Malaysia
Encorp Construction & Infrastructure Sdn Bhd	100	Investment Holding and Construction Project Management	Malaysia
Encorp Systembilt Sdn Bhd	100	Concessionaire to build and transfer teachers' quarters to the Government of Malaysia	Malaysia
Encorp Construction & Engineering Sdn Bhd	100	General Trading	Malaysia
Encorp Development Pty Ltd	100	Property Development	Australia
Encorp Facilities Management Sdn Bhd	100	Facilities Management Services Provider	Malaysia
Encorp Bukit Katil Sdn Bhd	100	Property Development	Malaysia
Encorp Millennium Sdn Bhd	70	Investment Holding, Construction Project Management and Property Development	Malaysia
Encorp Silver Sdn Bhd	100	Investment Holding, Construction Project Management and Property Development	Malaysia



Encorp Strand, Kota Damansara, Selangor



SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Introduction

Encorp Berhad (ENCORP) is gratified to share our annual Sustainability Report communicates our sustainability performance, strategies and initiatives for the financial year ended 31 December 2024.

As a developer, construction management and facilities management company ENCORP falls under Consumer Goods, specifically within Building Products & Furnishings, as outlined by industry-based disclosure requirements derived from the Sustainability Accounting Standards Board (SASB) Standards.

As sustainability is the foundation of ENCORP, our sustainability journey is backed by a robust sustainability framework, strategies and initiatives aimed at achieving the Group's sustainability goals and targets. As such, this Report shares how our sustainability journey has progressed over the years to keep creating value for our shareholders and other key stakeholder groups. It includes our approach in capturing opportunities and mitigating risks, while stepping up climate action to future-proof our businesses and communities.

Scope & Boundary

This sustainability report covers ENCORP and all its subsidiaries. It outlines our strategies, initiatives and performance relating to key environmental, social and governance (ESG) issues during the financial year from 1 January 2024 to 31 December 2024 (FYE 2024).

Where relevant, we also include data from previous years to track year-on-year progress and to provide additional context. This report addresses our response to 11 material sustainability matters which impact our business and our ability in delivering value to all our stakeholders.

Reporting Framework, Standards and Guidelines

This Sustainability Statement and its contents were prepared in accordance with Bursa Malaysia's Main Market Listing Requirements and the Sustainability Reporting Guide (3rd edition). Additionally, we were guided by Global Reporting Initiatives Standards and the United Nations Sustainable Development Goals (UN SDGs or SDGs), which serves as the foundation for the Report's framework. These frameworks were utilised to showcase our commitments to delivering comprehensive and reliable ESG disclosures, as well as to ensure year-on-year comparability of our sustainability performance.

Besides the above, we have started to benchmark our disclosures against the newly developed International Sustainability Standards Board's (ISSB) International Financial Reporting Standards (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. This is expected to be furnished in our future sustainability reports.

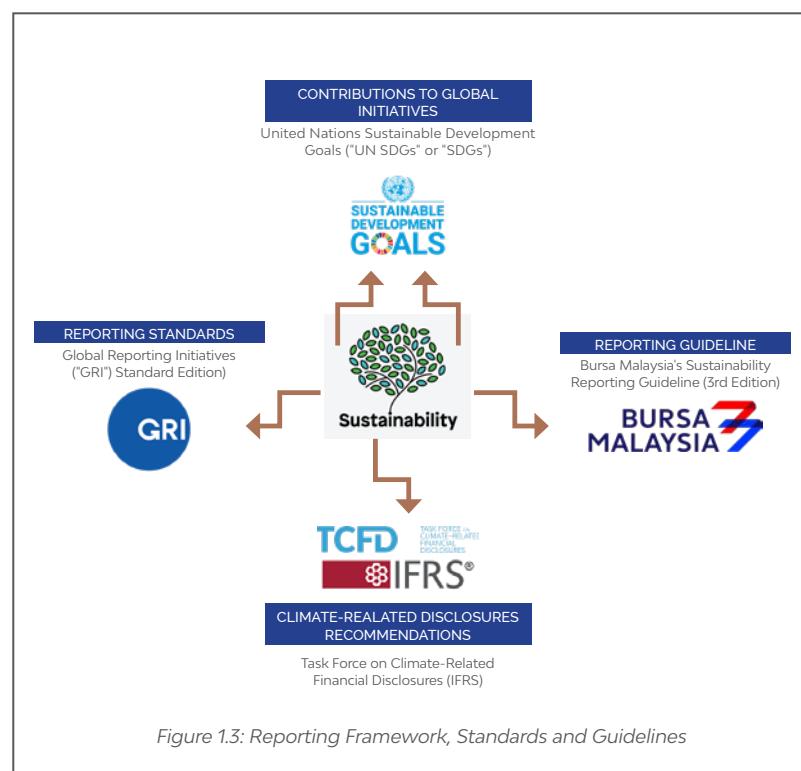


Figure 1.3: Reporting Framework, Standards and Guidelines

Journey Sustainability

Projection Sustainability Commitment

- Introduced supplier ESG Risk Assessment
- Conducted internal audit review for ESG process to provide assurance on the Statement
- Provide External Validation for Sustainability Report
- Developed Net Zero Emissions by 2050

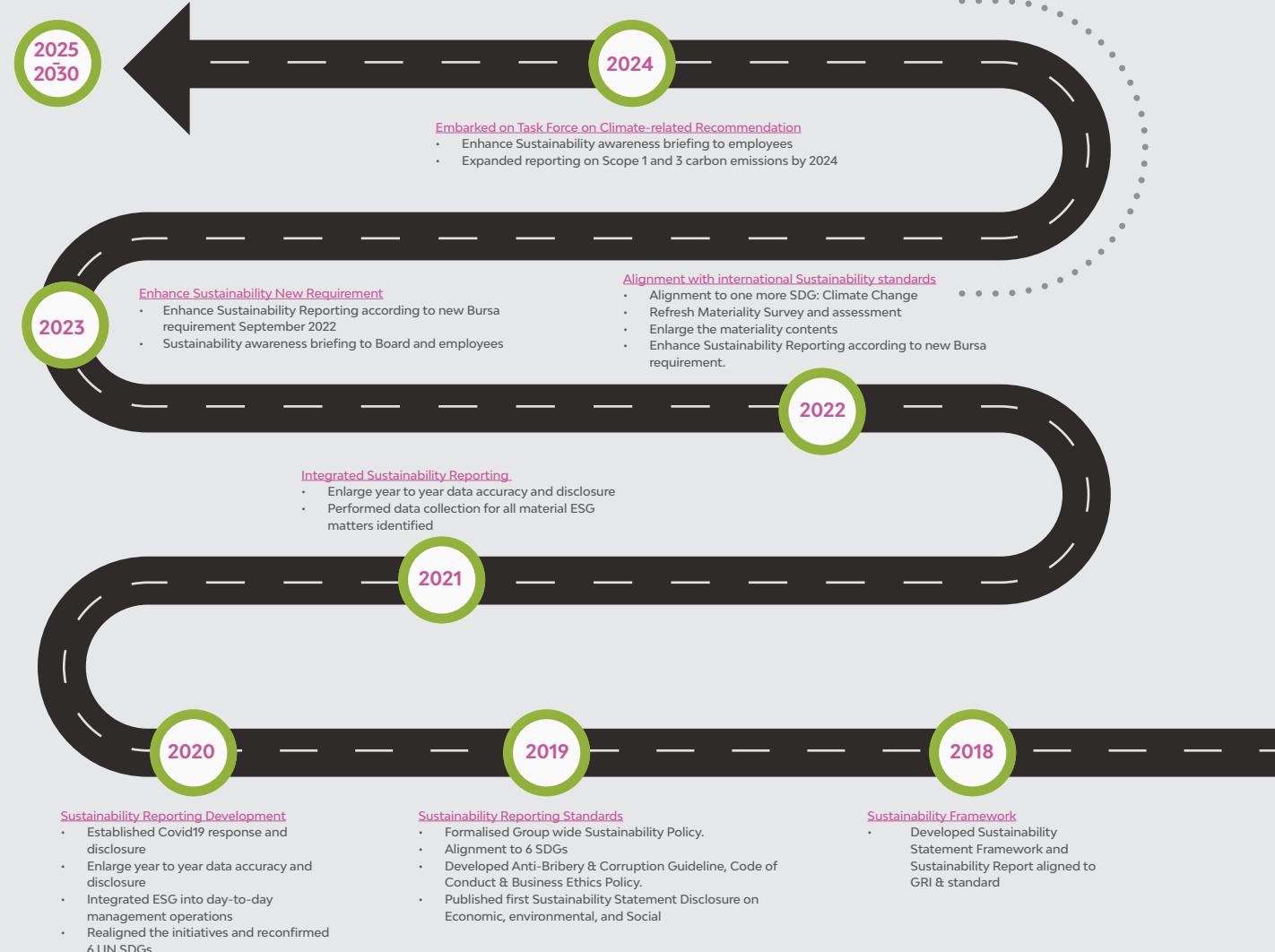


Figure 1.4: Journey Sustainability

Assurance Statement

Our sustainability reports are produced on an annual basis. Within sections of the report detailing economic information, audited financial year statements are incorporated ensuring accuracy and reliability. Non-financial information undergoes thorough internal review and validation by the responsible data owners. We acknowledge the importance of ensuring credibility of our reports, and moving forward, plan to obtain internal assurance or to engage a third-party assurance for upcoming reports.

SUSTAINABILITY HIGHLIGHTS

2024 Sustainability Highlights

ECONOMIC

100%
of procurement budget
spent on local suppliers
and vendors

88%
customer satisfaction
with our projects

Recertification
ISO 9001:2015 until 2027

81%
Qlassic Score for Iris
Project

GOVERNANCE

100%
employees completed
Anti-Bribery and
Corruption Pledge

Zero breaches
in data privacy and
security

SOCIAL

144
hours of Health and Safety
Training for employees and
workers at construction site

Zero fatalities
at work

Below 20%
employee turnover

81%
employee satisfaction
score

Women in Workplace
20% Board and
45% overall

RM39,700
Invested in employees'
training programmes

RM64,000
invested CSR activities

1,814 volunteer hours
contributed by 128
employees under the
Employee CSR Programme

ENVIRONMENT

29 units
of terraced houses with
solar panels developed
in our project

38%
reduction in waste
disposal

4,807.78 tonnes
of CO₂e GHG emissions were calculated with the disclosure of
Scope 1, Scope 2 and Scope 3 emissions in 2024

Developed
Net Zero 2050
Roadmap

1.4 tonnes
of waste recycled

2024 Scorecard

	Material Topic	GRI Reference	Indicators
ECONOMIC	Economic Performance	Total Revenue	Generated a revenue of RM104.013 million
		Achievement of standard or certifications (ISO 9001 from External Audit)	Recertification of ISO 9001 until 2027 & newly certification for Encorp Construction & Engineering Sdn Bhd
	Indirect Economic Impact	Achievement of 80% Score of Quality standard of Qlassic Standards	Achieved 81% score in Qlassic Assessment for Iris Project
		Achievement of 90% Customer Satisfaction Survey	Achieved 88% Customer Satisfaction Survey for Iris Project
GOVERNANCE	Supply Change Management	100% Local Suppliers (Consultant & Contractor)	100 % Local Suppliers (Contractor and Consultant)
		100% of employee attendance at anti-corruption/ integrity training	100% of employee attendance at anti-corruption/ bribery training
	Anti-corruption	100% of departments were assessed for corruption-related risks	100% of departments were assessed for corruption-related risks
		Zero tolerance of corruption / bribery	1 case accusation in court
SOCIAL	Data Privacy and security	Zero complaints relating to Personal Data Protection Act 2010 (PDPA)	Zero complaints related to PDPA
		100% compliance with PDPA Act 2010	100% compliance with PDPA Act 2010
		Zero Lost Time Injury	Zero Lost Time Injury
	Health & Safety	Zero fatalities at work	Zero fatalities at work
Diversity & Equal Opportunity		100 hours of Safety Training	144 hours of Safety Training
	Diversity & Equal Opportunity	Equal number of employees by Gender	Women in Workplace: 20% of Board Directors and 45% of overall employees
		Diversity of employees by Age	Well-balanced demographic structure, with a significant proportion 15% aged below 30. 68% aged between 30 to 50 and 17% aged 50 and above
		Diversity of employees by Ethnicity	M:109, C:12, I:3, O:4
		Percentage of women in Director roles	20% of women in Director roles

Material Topic	GRI Reference	Indicators
SOCIAL	Training hours per employee (30 hours)	54.8 hours / employee
	Training value on RM per employee: min RM500, max RM3,000	RM560 / employee
	Permanent vs contract employee rate 70:30	113:15 / 88%: 22%
	Turnover Rate of Employees below 15%	Turnover rate : 18%
	0 human right violations	0 violations
	75% employee satisfaction	81% employee satisfaction
Community / Society	Amount invested in CSR activity (1% / PBT)	RM64,513 : PBT RM6,506,000
	Total number of beneficiaries: at least 500 people	13,720 people involved
	CSR hours per employee (14 hours)	14.2 hours / employee
Climate Change Emission Management	2% Reduction in GHG emissions compared to baseline	Starting in 2024, ENCORP will begin calculating our carbon emissions. The total carbon emissions for 2024 are projected to reach 4,807.78 tCO2e. Scope 1 emissions contribute for 15.65 tCO2e, Scope 2 emissions amount to 3,936.40 tCO2e, and Scope 3 emissions amounted to 855.73 tCO2e.
Energy Management	3% reduction in Energy Consumption utilisation	Total energy consumption saw a 4% increase compared to 2023. Energy management success in our corporate office has resulted in a 13% decrease from 2023. For the mall, energy consumption has increased by 4.5% due to a rise in the number of tenants, from 44 in 2023 to 51 in 2024. For project site development, energy consumption has decreased by 68% from 2023, as only one project was running in 2024, compared to three projects in 2023.
Water Management	3% reduction in Water Consumption	The total estimated water consumption for 2024 was 70,106 m ³ , reflecting a 6.5% increase from 2023.
Material Management	3% reduction in Paper Usage	In FY2024, paper usage increased by 11% compared to 2023, but the increase was slightly lower than the 31% rise observed from 2022 to 2023.
Waste Management	Recycle 3% of total waste generated	There was a significant decrease of 21% in the waste generated by the mall and development projects in 2024 compared to 2023. The total waste generated in 2024 was 918 tonnes, down from 1,165 tonnes in 2023.

Initiatives Planned for Year 2025



Figure 2.3: Initiatives Planned for Year 2025

SUSTAINABILITY APPROACH

Materiality Matter

To ensure sustainable value creation, we regularly identify and review the sustainability issues that matter to our business and stakeholders. We conduct a thorough materiality assessment once a year to align our priorities with current sustainability trends, global risks, and industry practices. This includes gathering feedback from both internal and external stakeholders through a survey to understand the ESG impacts of our business and ENCORP's position in sustainability.

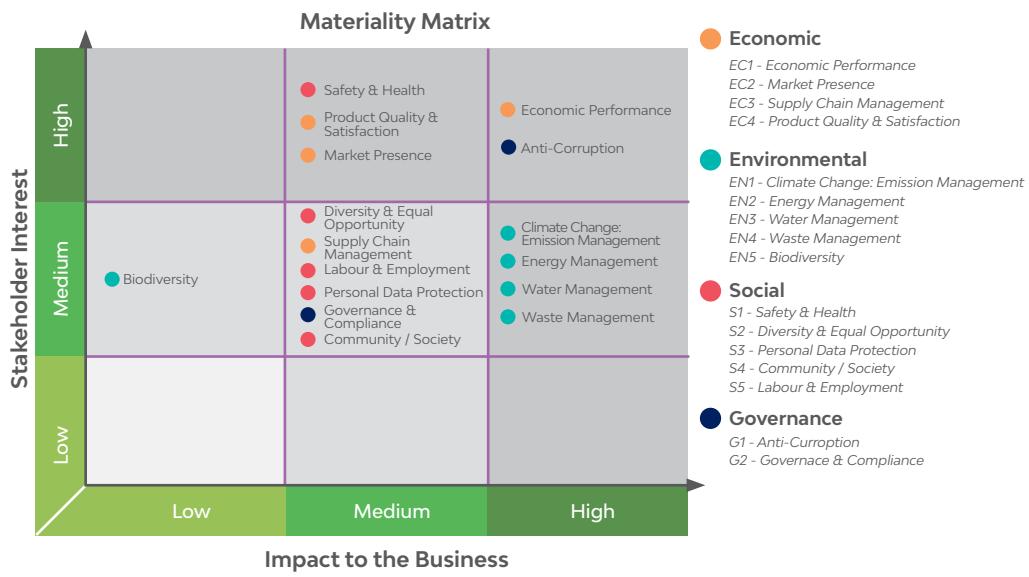


Figure 3.1: Materiality Matter

ECONOMIC

Economic Performance	Economic value generated and distributed to stakeholders as a direct result of Encorp's operations.
Market Presence	The visibility and influence a company has within a specific market or industry.
Supply Chain Management	Procurement practice can cause or contribute to a negative impact.
Indirect Economic (Product Quality and Satisfaction)	Quality of products and services, and actions that directly affect stakeholders, the community at large and the environment.

ENVIRONMENTAL

Climate Change : Emission Management	Practices aimed at reducing greenhouse gas emissions to mitigate adverse impacts.
Energy Management	Practices that reduce energy consumption while maintaining productivity and comfort.
Water Management	The responsible use and conservation of water resources.
Waste Management	Practices that minimise waste generation and promote responsible disposal and recycling.
Biodiversity	Practices that protect and promote the variety of life on Earth, ensuring ecosystems remain.

SOCIAL

Safety and Health	Enhance overall well-being, reduce risks and create healthier environments for everyone.
Diversity and Equal Opportunity	Practices that promote inclusivity and ensure that everyone has access to the same opportunities, regardless of their background.
Personal Data Protection	Practices that ensure the privacy and security of an individual's personal information while promoting trust and ethical handling of data.
Community / Society	Practices that promote the well-being of individuals and groups while ensuring environmental health and social equity.
Labour & Employment	Practices that ensure fair, safe, and equitable working conditions while promoting the long-term well-being of employees and organisations.

GOVERNANCE

Anti-Corruption	Practices and policies aimed at promoting transparency, integrity and accountability within organisations and society.
Governance & Compliance	Practices that ensure organisations operate transparently, ethically and in accordance with laws and regulations.

Alignment with UN SDGs

In the year under review, we have reviewed and realigned Fiscal Year End (FYE) 2024's material sustainability topics with Bursa Malaysia's common sustainability matters and disclosure standards from the Global Reporting Initiative (GRI).

We continuously monitor the business's environment and engage various stakeholders on an ongoing basis to ensure we have appropriately recognised and managed our material sustainability areas.

Subsequently, for FYE 2024, our board has reviewed the following materiality topics and matrix:

Sustainability Goal	Target	Contributions
SDG 3  Ensure healthy lives and promote well-being for all at all ages	INCREASE HEALTH FINANCING AND SUPPORT HEALTH WORKFORCE IN DEVELOPING COUNTRIES Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States.	<ul style="list-style-type: none"> We prioritise health and safety in our business operations by adopting safety standards and systems as well as implementing a Quality, Environmental, Safety and Health (QESH) policy. We promote healthy lifestyles by organising programmes that focus on employee well-being. We manage our construction waste responsibly and ensure proper storage as well as disposal of hazardous and non-hazardous waste.
SDG 8  Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	DIVERSIFY, INNOVATE AND UPGRADE FOR ECONOMIC PRODUCTIVITY Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	<ul style="list-style-type: none"> We provide competitive salaries and benefits for our employees in addition to training opportunities for growth and career development.
	PROMOTE POLICIES TO SUPPORT JOB CREATION AND GROWING ENTERPRISES Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	<ul style="list-style-type: none"> We are developing and implementing relevant policies and procedures.
	PROMOTE YOUTH EMPLOYMENT, EDUCATION AND TRAINING Reduce the proportion of youth not in employment, education or training.	<ul style="list-style-type: none"> We provide competitive salaries and benefits to our employees in addition to training opportunities for growth and career development.
	PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS Protect labour rights and promote safe and secure working environments for all workers.	<ul style="list-style-type: none"> Our Safety and Health Unit monitors and checks for compliance to relevant rules and regulations.

Sustainability Goal	Target	Contributions
SDG 11  11 SUSTAINABLE CITIES AND COMMUNITIES <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	SAFE AND AFFORDABLE HOUSING <p>Access to adequate, safe and affordable housing and basic services and upgrade slums.</p>	<ul style="list-style-type: none"> As a property developer, we connect communities and businesses and promote sustainable lifestyles by encouraging people to walk and use public transport.
	INCLUSIVE AND SUSTAINABLE URBANISATION <p>Enhance sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.</p>	<ul style="list-style-type: none"> We have been involved in the construction of infrastructures that enhance the sustainable features of cities, such as affordable housing.
	SUPPORT LEAST DEVELOPED COUNTRIES IN SUSTAINABLE AND RESILIENT BUILDING <p>Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials.</p>	<ul style="list-style-type: none"> For year 2024, 100% of the required services were carried out by Malaysian vendors. By supporting them, we play a part in contributing to the domestic economy.
SDG 12  12 RESPONSIBLE CONSUMPTION AND PRODUCTION <p>Ensure sustainable consumption and production patterns</p>	SUSTAINABLE MANAGEMENT AND USE OF NATURAL RESOURCES <p>Achieve the sustainable management and efficient use of natural resources.</p>	<ul style="list-style-type: none"> We recycle wood and pallets used in construction works.
	SUBSTANTIALLY REDUCE WASTE GENERATION <p>Reduce waste generation through prevention, reduction, recycling and reuse.</p>	<ul style="list-style-type: none"> We actively reduce usage of paper by initiating the use of digital-based documentation.
	ENCOURAGE COMPANIES TO ADOPT SUSTAINABLE PRACTICES AND SUSTAINABILITY REPORTING <p>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>	<ul style="list-style-type: none"> A concise Sustainability report is included in the ENCOPR Annual Report.

Sustainability Goal	Target	Contributions
SDG 12  Ensure sustainable consumption and production patterns	PROMOTE UNIVERSAL UNDERSTANDING OF SUSTAINABLE LIFESTYLES <p>Ensure relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>	<ul style="list-style-type: none"> Employees are required to participate in Corporate Social Responsibility (CSR) activities as part of their respective key performance measures and indicators. The company has also provided the Clover and Lily developments, under the Encorp Cahaya Alam project, with lake and garden landscapes, security features enhanced with boom gates, guard houses and smart security applications.
SDG 13  Take urgent action to combat climate change and its impacts	INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES, STRATEGIES AND PLANNING <p>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>	<ul style="list-style-type: none"> We have revised our relevant policies and procedures to include climate change action. Our employees have been sent for sustainability development training.
SDG 16  Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	PROMOTE THE RULE OF LAW AND ENSURE EQUAL ACCESS TO JUSTICE <p>Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p>	<p>We have integrated the below into our policies and procedures:</p> <ul style="list-style-type: none"> Laws of Malaysia Act 694, Malaysian Anti-Corruption Commission Act 2009. Guidelines on Adequate Procedures Pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009. Bursa Malaysia Listing Requirement on Anti-Corruption and Whistle Blowing.
	COMBAT ORGANISED CRIME AND ILLICIT FINANCIAL AND ARMS FLOWS <p>Reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime.</p>	<ul style="list-style-type: none"> Emphasising an anti-bribery mindset by implementing the Code of Conduct and Business Ethic Guideline as well as the Whistle Blowing Policy and Guideline.
	SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY <p>Substantially reduce corruption and bribery in all their forms.</p>	<ul style="list-style-type: none"> Enforcement of integrity at work. Gap analysis on adequate Procedures to determine implementation of Anti-Bribery Management System. Integrity training for all employees. Education and awareness on integrity through emails, posters and training initiatives.
	ENSURE RESPONSIVE, INCLUSIVE AND REPRESENTATIVE DECISION-MAKING <p>Ensure responsive, inclusive, participatory and representative decision-making at all levels.</p>	<ul style="list-style-type: none"> Equality of gender without precedent.

Stakeholder Engagement

ENCORP has a diverse range of stakeholders who are influenced or impacted by our activities and whose decisions and actions may impact the Group. We strive to foster positive relationships with all stakeholder groups by regularly engaging with them through formal and informal channels.

Constant engagement with our stakeholders facilitates mutual understanding and achievement of sustainability goals and objectives. It also helps build positive relationships and creates a platform for dialogue where we can discern feedback and respond to stakeholders' needs and expectations.

BOARD OF DIRECTORS

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Compliance with various regulatory codes and listing 2. Regulatory compliances and standards 	As and when required

EMPLOYEES

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Acknowledgement of employee concerns by management, alongside transparent communication of business priorities 2. Access to upskilling and professional development opportunities 3. Employee retention programmes 4. Creation of a conducive workplace environment 5. Implementation of a systematic rewards programme based on meritocracy to recognise and reward initiatives, contributions and achievements 	<ul style="list-style-type: none"> • Minimum twice yearly • Goal setting, mid-year review and year-end appraisal • Ongoing, via Company-wide initiatives and role-based training

CUSTOMERS

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Protection of personal data and secure service delivery 2. Product affordability and competitive pricing 3. Product quality and customer satisfaction 4. Support service and complaints resolution. 	<ul style="list-style-type: none"> • During handover of products to customers • During festive seasons and company events for new projects

AUTHORITIES

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Regulatory compliances, standards and certification 2. Policy and regulatory changes 	<ol style="list-style-type: none"> 1. Consultation sessions and conferences 2. Visits and inspections 3. External Audit ISO 9001 certificate 4. Meetings and policy briefings <p>As and when required</p>

INVESTORS

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Our stability and growth prospects 2. Continuous enhancement of stakeholder value 3. Financial performance and financial stability 4. Governance prioritisation of sustainability initiatives 	<ul style="list-style-type: none"> 1. Annual General Meetings ("AGMs") 2. Progress report on the company's performance 3. Financial and business activities update <ul style="list-style-type: none"> • Annually • Annual updated • Updated at website

VENDORS/SUPPLIERS

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Transparency in our procurement process 2. Fulfilment of our service level agreements 3. Commitment to meeting contractual and service-level commitments 4. Procurement process practice and supply chain management 5. Cost reduction/saving and Payment schedule 	<ul style="list-style-type: none"> 1. Supplier engagement rating processes 2. Tender processes 3. Contract negotiation and interview 4. Supplier performance reviews 5. Vendors meeting 6. Safety and quality briefings <ul style="list-style-type: none"> • Minimum once a year • As and when required • As and when required • Annually • As and when required • As and when required

LOCAL COMMUNITY

AREA OF INTEREST	
ENGAGEMENT CHANNEL	FREQUENCY
<ol style="list-style-type: none"> 1. Economic investments and social impact for local welfare 2. Community programmes, and events for social development 	<ol style="list-style-type: none"> 1. Corporate Social Responsibility ("CSR") programmes. 2. Community development programmes <ul style="list-style-type: none"> 1. As and when required 2. As and when required

Climate Change Adaptation

Global temperature continues to rise amid calls to action by climate experts to accelerate the transition to a low-carbon economy. According to the UN Environment Programme's latest Emissions Gap Report, released in November 2023, the current commitments made under the Paris Agreement are expected to lead to a temperature increase of 2.5°C to 2.9°C above pre-industrial levels by the end of this century. This exceeds the 1.5°C limit crucial for avoiding the most severe consequences of climate change. The effects of climate change such as sea level rise, and excessive rain and storms have already disrupted businesses and daily lives, causing property damage and global supply chain disruptions



As the effects of climate change become more evident and impactful, businesses worldwide are increasingly recognising the importance of adapting to these changes to ensure long-term sustainability. Climate change adaptation refers to the process of making informed decisions and implementing strategies that reduce vulnerabilities to climate risks while maximising opportunities for resilience and growth.

Climate-Related Risks And Opportunities

Our climate change adaptation initiative highlights the need to assess and address climate-related risks and opportunities within our operations, supply chains, and products or services. It underscores the commitment to integrating climate resilience into our business model, aligning with both global environmental goals and our corporate sustainability targets.

We broadly categorise climate-related risks into physical and transition risks, each of which we monitor over the short, medium and long-term time horizons.

PHYSICAL RISK	TRANSITION RISK
<p>Risks arising from acute (event-driven) or chronic (long-term shift) climate-related events</p> <ul style="list-style-type: none"> Acute risk is damage to assets or infrastructure from climate-related events such as floods Chronic risk is long-term changes in weather patterns such as rising temperatures 	<p>Risks arising from changes made to adapt to a low-carbon economy, for example:</p> <ul style="list-style-type: none"> Changes to public policy and regulations Technological innovations Changing consumer and investor expectations

Climate-Related Risk			
Type of Risk	Potential Risk	Potential Impact	Potential Financial Opportunities
PHYSICAL RISK			
Acute	Extreme weather events (i.e. flooding, storms, heavy rain, heat waves)	<ol style="list-style-type: none"> 1. Property damage resulting in financial losses and increased insurance premiums 2. Project delays and supply chain disruptions and shortage in labour 3. Increased cost of repairs and retrofitting 4. Health and safety risks to workers 5. Interruption to transportation 	Design and develop properties and materials that are resistant to the expected increase in frequency of acute extreme weather events
Chronic	Irreversible shifts in weather patterns	Diminished asset value	Design and develop properties and materials that are resistant to the expected increase in frequency of chronic weather effects
	Gradual temperature increases and heat stress can impact the performance and energy efficiency of buildings, leading to increased cooling requirements	Higher operational costs for managing indoor air temperatures	
	Shifts in precipitation patterns and water availability can affect the feasibility and long-term sustainability of water-intensive projects or landscaping efforts	Increased costs for adaptive measures	
	Increased heat-related illnesses	Severe heat conditions pose the risk of heat strokes, particularly for the elderly and outdoor labourers	<u>Low Carbon Buildings</u> Passive and active design elements are vital for sustainable buildings. Low carbon measures such as improved insulation and glazing reduce heat gain, mitigate extreme heat and UHI effect and lower energy consumption for cooling
	Air pollution	Heat intensifies the adverse effects of air pollution, acid rain and haze resulting in respiratory ailments and property damage	<u>Low Impact Development</u> ("LID") employs nature-inspired design techniques to reduce air pollution. It increases vegetated land areas, creating recreational spaces, preserving biodiversity and promoting urban cooling
	Change in weather pattern	Hot conditions escalate the occurrence of weather extremes like heavy rainfall and hailstorms, leading to increased risks of hazardous events such as flash floods and sinkholes. Additionally, construction such as earthworks may not be feasible during rainy days	<u>Green Spaces</u> Increasing green area coverage on building roofs and walls helps reduce the urban heat island effect, sequesters CO ₂ , and lowers energy and water management costs

Climate-Related Risk			
Type of Risk	Potential Risk	Potential Impact	Potential Financial Opportunities
PHYSICAL RISK			
Chronic	Increased energy and water demand	Increased energy consumption for indoor cooling, subsequently increasing costs. During heat-waves, increased water usage potentially exacerbates water stress issues.	To explore alternative water source and water retention facilities which will increase operational resilience as well as reduce operational costs in the long run. For example, rain water harvesting, recycling of effluent or waste water.
	Disruption of traffic	Extreme rainfall in Malaysia exacerbates traffic congestion, causing challenging driving conditions, accidents and flooding. This poses significant risks to urban mobility and supply chain disruptions	<u>Resource Efficiency</u> Adopt sustainable sourcing practices for raw materials to ensure efficient use of resources and mitigate potential scarcity risks resulting from climate-related supply chain disruptions.
	Landslides	Climate change will heighten the occurrence of intense rainfall events, increasing the likelihood of landslides. These landslides can disrupt traffic, damage our buildings and pose risks to human life	
Chronic	Flood damage to buildings and infrastructure	Floods pose a significant risk to our buildings and infrastructure, leading to structural deterioration and the need for extensive repairs	<u>Active Mobility and Connectivity</u> Develop land around transit-oriented developments, upgrade pedestrian networks for improved mobility and incorporate tree-shaded footpaths to enhance comfort and reduce reliance on motorised vehicles.
	Maintenance costs	Frequent and severe floods and storms drive up maintenance and repair costs	
	Increased water shortage	Prolonged dry spells will affect operations and compliance with ISO 14001 dust control standards, impacting construction site cleaning and green space maintenance due to water scarcity	To explore alternative water source and water retention facilities which will increase operational resilience as well as reduce operational costs in the long run. For example, rain water harvesting, recycling of effluent or waste water.

Climate-Related Risk			
Type of Risk	Potential Risk	Potential Impact	Potential Financial Opportunities
TRANSITION RISK			
Policy and Legal	Regulatory policies affecting building codes	Fines and sanctions resulting from non-compliance	Increased demand for green certified projects due to government regulations and standards.
	Increasing actions and commitments mandated by government to reduce GHG emissions	Increased cost from mandatory climate-related reporting	
	Enhanced climate-related reporting obligations		
Technology	Cost of adopting low-carbon technologies, innovation and renewable energy into building design	Increased development costs	Develop intellectual capital in sustainable building design to enhance our competitive edge.
	Research and development to identify suitable technologies and innovation	Increased cost from R&D	Identify resource-saving and climate responsive processes or design.
Market	Increased cost of raw materials	Increased development costs	Reduction of the Group's reliance on carbon-intensive materials and processes.
	Volatile fossil fuel prices	Supply chain disruptions	Enhanced supply chain resilience through supplier diversification and local sourcing.
Reputation	Growing pressure from stakeholders regarding corporate responsibility towards climate action	<ol style="list-style-type: none"> 1. Decreased investor trust 2. Reduced customer confidence 	Becoming a leader in green project development, offering eco-friendly living and working spaces that align with market demand.
	Shift in consumer preferences for green buildings	Reduced sales and revenue	

Metrics and targets to assess climate-related risks

In fiscal year 2024, we have broadened our reporting to include carbon emissions throughout activities within Encorp Group.

SCOPE 1 Direct Emissions

GHG emissions are direct emissions from owned or controlled sources

- Company vehicles
- Company facilities

SCOPE 2 Indirect Emission

GHG emissions are indirect emissions from the generation of purchased energy

- Purchased electricity

SCOPE 3 Indirect Emission

GHG emissions are all indirect emissions (not included in scope 1 and 2)

- Employees commuting
- Business travel
- Water supplied
- Purchased goods
- Waste generated in operations
- Transmission and Distribution losses

Key metrics are used to measure and manage climate-related risks associated with GHG emissions, energy consumption, water consumption and waste generation. These metrics are consistent with industry standards and are aligned with the Bursa Malaysia Listing Requirements and GRI Indicators.

Data	Unit
GHG emission tCO ₂ e	tCO ₂ e
Energy	kWh, GJ
Water	m ₃
Waste	tonnes
Refrigerants	kg CO ₂ e

ECONOMIC STATEMENT

Economic Performance

Economic performance plays a critical role in sustaining revenue and enhancing shareholder value. It directly impacts our ability to drive growth and maintain the long-term stability of the business. As such, our focus on achieving strong financial results is central to our overall strategy for business success.

Our property development strategy includes several key elements: staying abreast of market trends, maintaining a strong financial position and healthy cash flow, embracing technological advancements, effectively managing identified risks, and expanding into new development opportunities.

In light of the challenging landscape within the property development sector, the group's economic performance remains a primary focus for our stakeholders, including employees, contractors, investors, and regulatory authorities.

In FYE 2024, we generated a revenue of RM104.013 million which represents the total economic value generated. Whilst a total of RM102.207 million represents the direct economic value distributed. Therefore, positively contributing to the economic well-being of our stakeholders, as outlined in the following table.

RM ('million)	FYE 2024	FYE 2023	FYE 2022
Economic Value Generated	104.01	129.19	137.49
Economic Value Distributed	102.21	138.38	157.64

ENCORP is of the view that the critical factor in achieving the desired economic performance is centered on ensuring customer satisfaction and providing high-quality products. Our economic results are a testament to our capacity to meet the rigorous standards of customer satisfaction and product quality. Further details regarding our business strategy and performance are available in the Management Discussion and Analysis section of the Annual Report.

Supply Chain Management

We adopt a responsible procurement approach that incorporates ethical and sustainable considerations in the acquisition of goods and services. Our procurement practices and business operations are carried out with a commitment to ethical standards, transparency, and impartiality.

As an industry leader and a responsible corporate entity, we acknowledge our responsibility to contribute to the advancement of the construction sector by fostering and supporting a strong local supply chain. Before being invited to submit quotes and to be considered for selection as an ENCORP supplier, all potential suppliers are required to undergo a preliminary qualification assessment, achieving the necessary criteria and registering as approved suppliers.

We are committed to ensuring that the benefits of the country's infrastructure investments have a positive impact on medium-sized and smaller contractors and suppliers throughout the value chain, thereby driving local economic growth. The procurement department carefully reviews and evaluates all submitted quotes, with the project team responsible for approving the final selections as part of this thorough process.

Description	FYE 2024	FYE 2023	FYE 2022
Number of suppliers	383	317	226
% of spending on local suppliers	100%	100%	100%

Indirect Economic Impact

Our Property Management and Facilities Management Divisions hold certification under the ISO 9001:2015 Quality Management System. This certification establishes the operational framework through which we ensure the fulfilment of the requirements and satisfaction of our customers and stakeholders.

Our Certification in Quality Management System ISO 9001:2015

Company	Scope	Awarded
Encorp Berhad		Certified to ISO 9001:2000 on 19 January 2007
Encorp Must Sdn Bhd	Property development and project management of residential, industrial and commercial buildings	Certified to ISO 9001:2008 on 19 January 2010
Must Ehsan Development Sdn Bhd		Certified to ISO 9001:2015 on 24 September 2018
Encorp Facilities Management Sdn Bhd	Facilities Management of residential, industrial and commercial buildings	Certified to ISO 9001:2015 on 24 September 2018
Encorp Construction & Engineering Sdn Bhd	Construction Management of Residential, Industries and Commercial Properties	Certified to ISO 9001:2015 on 1 October 2024

Product Quality & Satisfaction

Product Quality

QLASSIC CIS 7:2021 is a quality standards and assessment system implemented to evaluate the workmanship quality of building construction works in accordance with the Construction Industry Standard. ENCORP is committed to achieving a minimum QLASSIC score of 80%, in alignment with the Quality Objectives established.

To ensure readiness for the CIDB QLASSIC assessment, we conduct periodic Quality Assessments (i.e., Pre-QLASSIC) across our projects. Additionally, regular briefing sessions on quality standards and QLASSIC are organised to promote awareness among project teams regarding the expected standards and to disseminate best practices.

Product Readiness Assessment

Pre-Handover

Our PRA rigorously evaluates finish quality, tiling, interior paintwork, electrical and plumbing functionality, cleanliness and leaks.

Post-Handover

We offer a 24-month defect liability period for new homeowners to report issues for prompt resolution. Our performance target is to rectify raised complaints within 30 days, reflecting our commitment to customer satisfaction.

In 2024, we successfully achieved a QLASSIC score of 81% for the Iris, ENCORP Cahaya Alam development project, reflecting our commitment to maintaining high standards of quality.



Customer Satisfaction

Customer satisfaction is essential for driving long-term value creation and maintaining our brand reputation in the property development sector. At ENCORP, we prioritise customer feedback and ensure that all our properties and services meet the highest quality standards.

The measurement of the quality of our products and service delivery is primarily driven by customer satisfaction, which serves as a key metric. Throughout the year, we conducted customer satisfaction surveys to assess, gather feedback, and gain insights into customer experiences with our services, products, and overall offerings. Their invaluable feedback has been instrumental in identifying and addressing any gaps between customer loyalty, service delivery, product satisfaction and expectations.

Customer satisfaction surveys were conducted during project handovers to evaluate our performance. In the fiscal year 2024, the results for the Iris Encorp Cahaya Alam development project in Shah Alam did not meet our expectations. The survey recorded a customer satisfaction quality index of 88%, falling short of both the 2023 survey results and the established quality target of 90%. This outcome highlights areas for improvement as we remain committed to prioritising sustainability and customer satisfaction across all our projects.

Customer Satisfaction For Iris Project 2024



ENCORP's robust governance framework is designed to ensure long-term sustainability and foster trust among stakeholders. We promote transparency and accountability through comprehensive policies, procedures, and regular reviews to ensure full compliance with all laws and regulations.



The Group places a high priority on sound corporate governance, implementing appropriate mechanisms that guarantee fairness, responsibility, and effective oversight throughout our operations. By adhering strictly to relevant policies, codes, and acts, we continue to strengthen integrity, establishing a solid foundation for sustained growth.

Sustainability Governance Structure

The Board plays an active role in shaping ENCORP's strategic direction, ensuring compliance with laws and internal regulations, and overseeing risk management. Sustainability is a core component of our corporate strategy, managed by ENCORP Sustainability, a dedicated unit focused on sustainability strategy and management.

SUSTAINABILITY GOVERNANCE STRUCTURE



Anti-Corruption

ENCORP is fully committed to maintaining professionalism and integrity in all our business dealings, whether with customers, shareholders, business associates, third parties, or internally within the organisation. The Group adheres to a strict zero-tolerance policy towards bribery and corruption and complies with all relevant anti-bribery and anti-corruption laws. In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018, we have implemented comprehensive anti-bribery measures across the Group to further strengthen our integrity, governance and anti-corruption framework.

These measures include a set of guidelines that outline principles to guide our ethical decision-making processes. To enhance our business ethics framework, we have revised the ENCORP Code of Conduct and Business Ethics and introduced a Code of Business Conduct for Third Parties, along with related policies and procedures aimed at preventing bribery and corruption.

Additionally, in compliance with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act, we have established an Anti-Bribery and Corruption Policy, as well as a Whistleblowing Policy. Our policies and compliance monitoring procedures are informed by a comprehensive corruption risk assessment, which guides our ongoing efforts in maintaining a corruption-free environment.

Category	FYE 2024	FYE 2023	FYE 2022
% of operations assessed for corruption-related risks	100%	100%	100%

For the fiscal year 2024, a forum was organised in collaboration with the MACC and Institut Integriti Malaysia, underscoring the Group's unwavering commitment to promoting a culture of integrity through continuous awareness initiatives and regular communication. This forum was attended by all employees, vendors and tenants.



To guarantee that the Group's employees, especially senior management and decision-makers, are well-versed in our anti-corruption policies and procedures, we require their participation in formal training sessions. The table below outlines the level of participation in our formal anti-corruption training, categorised by employee role:



Employee Category	FYE 2024	FYE 2023	FYE 2022
Senior Management	100%	100%	100%
Middle Management	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	100%	100%	100%
Overall Composition	100%	100%	100%

Data Privacy and Security

Data breaches and cyberattacks pose significant risks to the Group's financial stability, legal standing, and reputation. To mitigate these threats, the Group has implemented robust security measures designed to protect both business and customer data, thereby ensuring the continued stability and security of our digital platforms.

We maintain secure servers with backup protocols and utilise cloud providers for data storage and processing, in alignment with our transition towards cleaner energy sources. To keep employees informed and educated on identifying malicious emails and links, we regularly conduct phishing simulations. Furthermore, we ensure that all communication and activities occur within secure server environments. We consistently assess data privacy and cybersecurity risks, as well as opportunities, through our risk register.

We are pleased to report zero cybersecurity breaches in FY2024, maintaining the same level of security as in FY2023 and FY2022. We remain fully committed to upholding the highest standards of vigilance in safeguarding customer data and privacy, while strictly adhering to rigorous IT security protocols.

SOCIAL

Occupational Health and Safety

Health and safety are of critical importance to us, especially considering the potential risks at construction sites, including those related to machinery operations and other workplace hazards. ENCORP has implemented robust monitoring systems and stringent safety measures to ensure the protection of our staff and contractors.

ENCORP Safety Statement

ENCORP is committed to the practice of inspiring confidence by ensuring the health, safety and wellbeing of its employees and the protection of the environment.

To achieve this goal, ENCORP believes in embedding the principles and policies of Safety, Health and Environment in all our employees and those involved in our daily activities, with a particular focus on leadership by top management.

In this regard, ENCORP complies with the provisions of the Occupational Safety and Health Act 1994, its regulations and all approved codes of practice. It does so by:

- Ensuring awareness, accountability, commitment, and cooperation among all heads of department and other top management with respect to Occupational Safety and Health and its impact on the performance of the company and its employees.
- Identifying any and all hazards in the workplace, whether at the office or at construction sites, assessing and controlling risks to provide a safer working environment for employees and those involved in our activities.
- Periodically reviewing policies, procedures, documentation, and training content to ensure effectiveness and to keep up to date with current laws and regulations.
- Setting Occupational Safety, Health and Environment (OSHE) targets and objectives and ensuring that these targets are monitored.

ENCORP will continue striving towards achieving the highest standards in OSHE through training, commitment, support, and supervision to ensure a safe and healthy working environment.

ENCORP is committed to more than just accident prevention; we prioritise and protect the health and safety of our employees. To ensure this, all workers at our construction sites must wear safety equipment (e.g., helmets, shoes, gloves, etc.) at all times, as we strive to prevent injuries and accidents.

The company fully recognises the significant risks of workplace injuries and fatalities inherent in our construction operations. To mitigate these hazards, we mandate regular, comprehensive health and safety training. In the past year, 100% of our 128 employees attended these critical training sessions, reinforcing our commitment to safeguarding their well-being.

Here is a list of safety and health training conducted in 2024:

No.	Trainings	Total No. of Participants	Total No. of Training Hours
1.	Induction	47	5.25
2.	Toolbox	1,178	5.92
3.	OSH Coordinator Training	1	72
4.	On-site training on OSHA 1994 & FMA 1967	16	2
5.	HIRARC Enhancement training	1	4
6.	Reflection of OSH Best Practices	1	8
7.	Sustainability Reporting for Practitioners	1	16
8.	Fire Drill at Tilia Site	351	6
9.	Demonstration on how to use fire extinguisher at Tilia site	301	3
10.	Environmental Awareness in Construction (online)	27	6
11.	New hires orientation	4	0.50
12.	First aider training	2	16
	TOTAL	1,930	144.67

In FYE 2024, we are proud to report that there were zero work-related fatalities:

	FYE 2024	FYE 2023	FYE 2022
No. of Work-Related Fatalities	Nil	Nil	Nil

The Loss Time Incident Rate (LTIR) for the year was zero, which translates to zero loss time incidents recorded:

	FYE 2024	FYE 2023	FYE 2022
LTIR	Nil	Nil	Nil

Note: Loss time incident rate refers to the loss of productivity associated with accidents or injuries arising out of or in the course of work.



The following are highlights of our Safety Initiatives in FY2024:

TOOLBOX BRIEFING AT PROJECT SITE

Toolbox talks are conducted at construction sites to enhance safety awareness, prevent accidents, and address site specific hazards. They foster communication, promote a safety culture, ensure compliance with regulations and boost productivity by minimising risks.

FOGGING AT SITE PROJECT

Fogging controls mosquito populations, preventing diseases like dengue and malaria. It ensures worker health and safety, complies with regulations, mitigates community impact and maintains environmental hygiene. Combined with removing stagnant water, fogging creates a safer and healthier work environment.

LARVACIDING

Larviciding at construction sites targets mosquito larvae in stagnant water to prevent their development into adults. It reduces mosquito-borne diseases, enhances worker safety and productivity, ensures regulatory compliance and minimises environmental impact. Combined with eliminating breeding sites, it is a proactive and effective mosquito control method.

PROJECT SITE HOUSEKEEPING

Housekeeping activities prevent accidents, enhance safety, improve productivity, promote health and hygiene, ensure compliance, foster a positive work environment and prevent fire hazards.

FIRE EXTINGUISHER DEMONSTRATION

A fire extinguisher demonstration teaches proper use, enhances fire safety awareness, builds confidence, reduces fire risks, promotes a safety culture, and ensures compliance with safety regulations, helping to save lives and protect property during emergencies.

FIRE DRILL

Fire drills help familiarise employees with emergency procedures, minimise panic, highlight plan weaknesses, strengthen safety culture, ensure compliance with regulations, improve teamwork, and safeguard lives and property by preparing workers for real fire emergencies.

OSHE INTERNAL AUDIT

An OSHE internal audit ensures compliance, identifies risks, improves safety performance, promotes a safety culture, prevents accidents, supports risk management, demonstrates accountability, and enhances operational efficiency, contributing to a safer and more productive work environment.

OSHE COMMITTEE MEETING

An OSHE committee meeting addresses safety issues, promotes employee participation, reviews safety performance and incident statistics, develops initiatives, ensures compliance, increases awareness, strengthens communication and maintains a safe workplace.

OSHE INSPECTION AT PROJECT SITE

An OSHE inspection identifies hazards, ensures compliance, promotes safety awareness, prevents accidents, improves safety performance, fosters a safety culture and enhances operational efficiency

NEW HIRES ORIENTATION

New hire OSHE orientation introduces safety policies, ensures compliance, prepares employees for emergencies, reduces injuries, promotes safety awareness, fosters a safety culture, enhances productivity and enhances familiarity with Encorp OSHE SOPs.

OSHE INDUCTION

An OSHE induction on a construction site ensures workers understand site-specific safety protocols, ensures legal compliance, prepares them for emergencies, reduces accidents, promote a safety culture, improves productivity, raises awareness of PPE, and provides consistent safety training for all workers.

YEARLY OSHE INSIGHTS

An OSHE bulletins provide timely safety information, reinforce awareness, highlight hazards, encourage compliance, improve communication, and promotes a safe work environment.



Diversity & Equal Opportunity

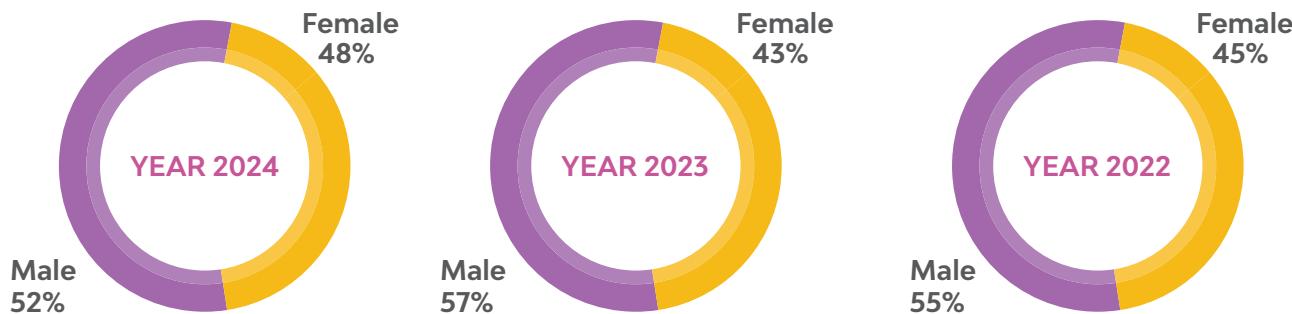
The effective administration of talent management is a fundamental aspect of ENCORP operations and growth. In alignment with our commitment to inclusivity and social responsibility, ENCORP actively fosters a diverse workforce, bringing together individuals with a wide range of skills and perspectives.

At ENCORP, we believe that equality is fundamental to creating a fair and inclusive work environment, where every individual is provided with equal opportunities and treated with respect, regardless of their characteristics. Diversity, at ENCORP, goes beyond mere recognition of differences, it involves actively embracing and celebrating the unique perspectives, skills, and experiences that each person brings to the table. By valuing diversity, we foster a culture of innovation and collaboration, which strengthens our organisation and supports our commitment to social responsibility.

Employee Diversity by Gender

The table below summarises the gender distribution for all employment levels within our Group. During the reporting year, 20% of our senior management were female.

Employee Category	FYE 2024 (%)		FYE 2023 (%)		FYE 2022 (%)	
	Male	Female	Male	Female	Male	Female
Senior Management	80%	20%	78%	22%	75%	25%
Middle Management	71%	29%	81%	19%	63%	37%
Executive	37%	63%	44%	56%	44%	56%
Non-Executive	100%	0%	100%	0%	100%	0%
Overall Composition	52%	48%	57%	43%	55%	45%



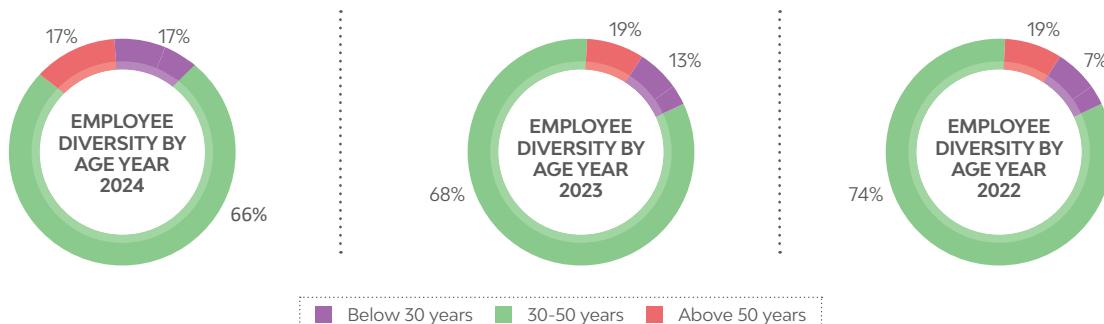
Employee Diversity by Age

The age diversity within ENCORP reflects a well-balanced demographic structure, with 66% of individuals falling within the 30 to 50-year age group. This group offers a valuable mix of experience and innovation, driving sustained growth and informed decision-making.

The 17% representation of employees under the age of 30 ensures a dynamic infusion of fresh ideas and adaptability, which is essential for maintaining the organisation's responsiveness to change and innovation.

Meanwhile, the 17% of employees aged 50 and above contribute a wealth of expertise and knowledge, crucial for guiding long-term strategic direction and ensuring continuity within the company.

Employee Category	Age in Years (%)								
	FYE 2024			FYE 2023			FYE 2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	0%	40%	60%	0%	44%	56%	0%	38%	62%
Middle Management	0%	47%	53%	0%	71%	29%	0%	63%	37%
Executive	20%	73%	7%	18%	74%	8%	11%	82%	7%
Non-Executive	29%	53%	18%	27%	46%	37%	0%	55%	48%
Overall Composition	17%	66%	17%	13%	68%	19%	7%	74%	19%

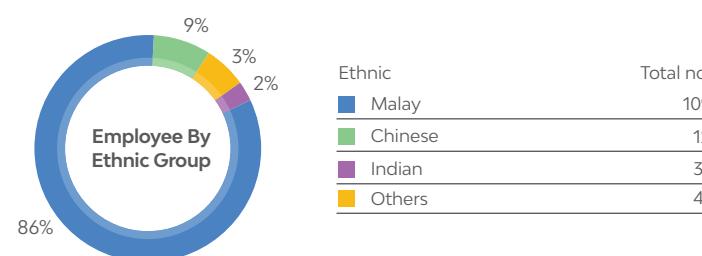


Employee Diversity by Ethnicity

ENCORP values ethnic diversity and believes it plays a key role in creating a strong and inclusive workplace. Having employees from different ethnic backgrounds brings fresh perspectives and ideas, which help drive innovation and success. We are committed to providing equal opportunities for all and fostering a respectful environment where everyone feels valued.

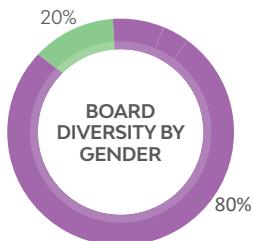
For the year 2024, our employee demographics reflect a diverse range of ethnic backgrounds, contributing to a dynamic and inclusive work environment. The ethnic breakdown is as follows: 86% of our employees are Malay, 9% are Chinese, 2% are Indian, and 3% represent other ethnic groups. This diversity enhances our ability to innovate and succeed as an organisation while maintaining a culture of respect and equality.

Employee Category	Ethnicity in Years (%)			
	FYE 2024			
	Malay	Chinese	Indian	Other
Senior Management	80%	20%	0%	0%
Middle Management	65%	29%	0%	6%
Executive	87%	7%	3%	3%
Non-Executive	100%	0%	0%	0%
Overall Composition	86%	9%	2%	3%



Board Diversity

In terms of board diversity, currently, 1 out of 5 board members is female, representing 20% of the total board composition. At present, the Board has not set any specific targets for female representation within its diversity policy.



Employee Category	FYE 2024 (%)		FYE 2023 (%)		FYE 2022 (%)	
	Male	Female	Male	Female	Male	Female
Directors	80%	20%	80%	20%	80%	20%

The board's age diversity currently consists of 5 members aged 50 and above. The Board, with the support of the Nomination and Remuneration Committee (NRC), regularly reviews its size and composition to ensure effective governance and strong leadership.



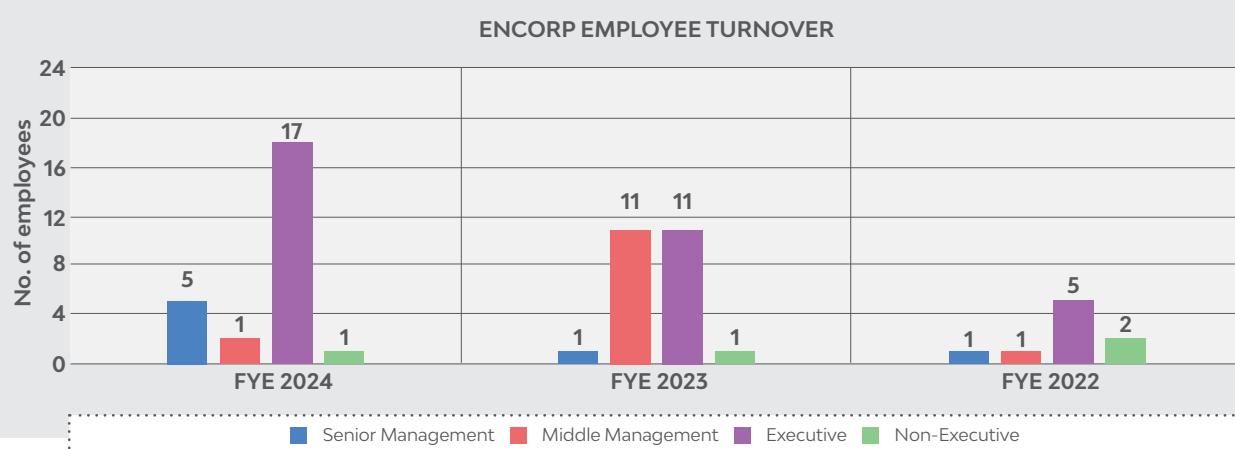
Employee Category	Age in Years (%)								
	FYE 2024			FYE 2023			FYE 2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Directors	0%	0%	100%	0%	20%	80%	0%	0%	100%

Human Capital Management

Human Capital Management also considers employee turnover and the use of temporary staff, as both factors can influence an organisation's long-term sustainability objectives. High employee turnover can result in increased recruitment and training costs, as well as disruption to operations, all of which may hinder sustainability efforts. To mitigate turnover, organisations focus on enhancing employee engagement, offering career development opportunities, and fostering a positive work environment.

The employment of temporary staff, while essential for addressing short-term needs, requires careful management. By providing appropriate training and offering pathways to permanent positions, organisations can build a more stable and committed workforce. Ultimately, HCM for sustainability aims to strike a balance between retaining key employees, managing turnover effectively, and strategically utilising temporary staff to support sustainable business practices.

In FYE 2024, a total of 22 employees resigned. The following is a breakdown of employee turnover at the end of the reporting period:



Employee Category	Employee Turnover (numbers)		
	FYE 2024	FYE 2023	FYE 2022
Senior Management	1	1	1
Middle Management	2	11	1
Executive	18	11	5
Non-Executive	1	1	2
Overall Composition	22	24	9

Note:

1. Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.

In FYE 2024, 11.7% of our employees were temporary staff/contractors.

Employment Type	% for FYE 2024	% for FYE 2023	% for FYE 2022
Contracted/Temporary Staff	11.7%	13.28%	6.42%

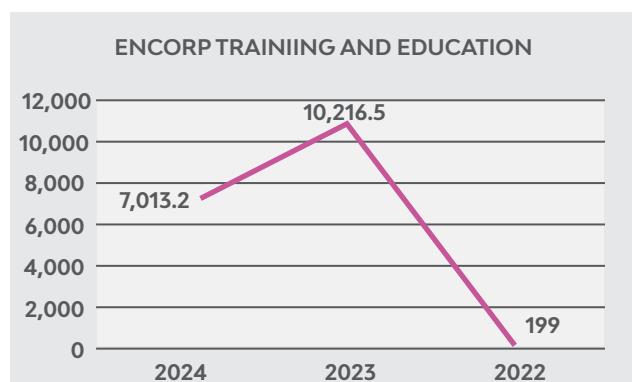
We continuously maintain a policy of hiring employees permanently rather than temporarily to ensure better consistency and continuity in delivering our business to our customers.

Learning and Development

ENCORP has put in place strategies to attract, develop, and retain skilled employees while improving their performance. This includes recruitment to hire top talent, training programmes, and performance reviews to enhance skills. During the reporting period, we offered training in areas such as technical skills, safety and marketing.

In FYE 2024, ENCORP employees have clocked in over 7,013 training hours.

Employee Category	FYE 2024 (Hours)	FYE 2023 (Hours)	FYE 2022 (Hours)
Senior Management	243.70	883.00	72
Middle Management	3,453.90	2,550.50	59
Executive	2,868.40	6,265.50	45
Non-Executive	447.20	517.50	23
Total	7,013.2	10,216.5	199



Employee Benefit

ENCORP is committed to fostering a supportive and enriching work environment that prioritises the well-being of our employees. We recognise that our workforce is a key driver of the company's success, and as such, we place significant importance on offering a comprehensive range of employee benefits. These benefits are carefully designed to support the physical, mental and professional growth of our employees, ensuring they are empowered to thrive both personally and professionally.

Leave
Annual, Medical, Hospitalisation, Marriage, Maternity, Paternity, Calamity, Compassionate, Replacement Leave, Prolonged Illness, Exam and Haj.
Health & Insurance Coverage
<ul style="list-style-type: none"> - Group Term Life scheme - Group Personal Accident scheme - Group Hospitalisation and Surgical Coverage Plans - Outpatient Treatment (Employee & Dependents) - Executive Medical Check Up (Employee only) - Dental Treatment (Employee only)
Transport
Company car and Mileage claim.
Allowances
Subsistence, Handphone, Car, Housing, Site and Professional Associations Membership.

Empowering Women at ENCORP

At ENCORP, we firmly believe that empowering women is integral to our continued growth and success. By fostering an inclusive and supportive environment, we aim to elevate the Company to greater heights. In the fiscal year end 2024 (FYE 2024), we organised several initiatives specifically designed to support and enhance the well-being and professional development of our female employees. These initiatives include:

1. Flexible Working Hours

To help female employees balance their professional, family, and personal responsibilities, we offer flexible working hours. This initiative has allowed our female workforce to manage their schedules more effectively while maintaining a productive and progressive work environment.

2. Women's Health Check-Ups

We provide female employees with annual medical check-ups, including essential screenings such as pap smears, mammograms, and other health assessments, to ensure their well-being.

3. Medical Coverage for Childbirth

To support our female employees during significant life events, we offer comprehensive medical coverage for childbirth, ensuring they have access to the care they need.

4. ENCORP International Women's Day Celebration

We commemorate International Women's Day through events designed to promote the professional development of our female employees, celebrating their achievements and fostering an environment of growth and empowerment.



Employee Satisfaction Survey

At ENCORP, we recognise that our employees are our most valuable asset, and their well-being is integral to the success and sustainability of our organisation. As part of our ongoing commitment to fostering a positive and supportive work environment, we conduct annual employee satisfaction surveys to gather valuable feedback. This survey allows us to assess employee experiences, identify areas for improvement and align our workplace culture with our sustainability goals.

We highly value the feedback provided by our employees, as it offers valuable insights that guide us in refining our management practices and optimising business operations. The results of this year's survey indicated a service level rating of 81% across 9 business units, surpassing our quality target of 75%.

The survey encompassed several key areas, including job satisfaction, professional development, manager relationships, compensation and benefits, and work-life balance. In order to encourage openness and transparency, all responses were collected anonymously.

Employee Labour Rights

We are pleased to report that during the reporting year, ENCORP did not receive any substantiated complaints from regulatory or official bodies regarding violations of human rights related to our workforce. This reaffirms our commitment to upholding the highest standards of ethical conduct and ensuring the protection of the rights and dignity of all our employees.

Number of substantiated complaints concerning violation of human rights received in FYE 2024, 2023 and 2022:	None Reported
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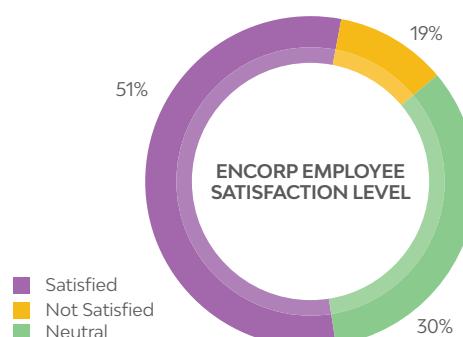
Employee Engagement

ENCORP are committed to achieving better alignment, ensuring the effective dissemination of information, and fostering strong relationships throughout the organisation. To support these objectives, we actively engage with our employees through various internal communication channels and engagement events. Our goal is to create a dynamic and inclusive work environment where employee input is highly valued, contributing to the continuous growth and development of the organisation.

The following are the key highlights of our employee engagement activities for the fiscal year 2024:

- ENCORP football friendly match
- ENCORP futsal
- Chinese New Year lunch treat
- ENCORP team building
- ENCORP Women's day taklk show "Jenayah dikalangan Wanita"
- ENCORP Men's day celebration coffee break session
- ENCORP bowling tournament
- Ramadan talk & iftar treat
- Ketipak Ketipung potluck raya celebration
- ENCORP jom makan buah
- Lunch & break karaoke session
- Rewang bubur lambuk

ENCORP EMPLOYEE SATISFACTION LEVEL



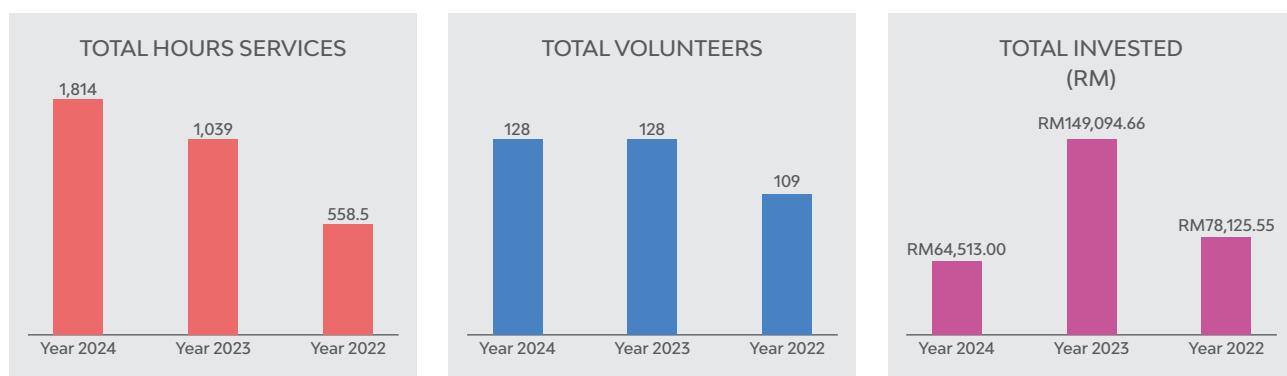
Community Development

At ENCORP, we are dedicated to making a meaningful contribution to the communities where we live and work. Our approach to community development is rooted in the belief that sustainable progress can only be achieved when we work together to address social, economic, and environmental challenges. Through various initiatives, we aim to support local communities, foster social inclusion, and empower individuals to create a positive impact in their own environments.

We remain steadfast in our commitment to contributing to society, particularly in supporting those less fortunate. In the fiscal year ending 2024 (FYE 2024), a total of 1,814 hours of community service were dedicated by 128 ENCORP volunteers, reflecting an average of 14.2 hours per employee.

The table below presents a comprehensive summary of our total contributions during this period:

	FYE 2024	FYE 2023	FYE 2022
Total Hours (Hour)	1,814	1,039	558.5
Total Volunteers	128	128	109
Total Average Hours Per Employee	14.2	8	5
Total amount invested (RM)	RM64,513.00	RM149,094.66	RM78,125.55



In the reporting year, the Group made a total contribution of RM64,513.00 to the community, benefiting 13,720 individuals. This contribution underscores the Group's ongoing commitment to promoting social welfare and sustainable community development. Below are some of the key initiatives and noteworthy contributions:

1. Blood Donation Campaign (join venture with our tenant Alpha IVF)
2. Celebrating CNY, spending a day with the underprivileged (join event with our tenant Black Basket)
3. Rewang Bubur Lambuk within the Kota Damansara Community
4. Iftar with Employees at a home for the underprivileged
5. Infaq to Pusat Jagaan Telaga Kasih Muhammad, Seksyen 7 Kota Damansara
6. Donation in Support of P Ramlee's Legacy
7. Pertandingan Sepak Penalti at Lamanda Chuping Community
8. Sponsorship in support of Pesta Kuantan 188 2024
9. Sponsorship for Kelab Silat Olahraga SILATRA SKS9KD
10. Kibarkan Jalur Gemilang di Kuantan
11. Distributing Deepavali Signature Snacks to Underprivileged Home, Authorities and Community
12. Sponsorship food for Participants of the Programme "Rakan Ekspresi: Youth Grooming"
13. Sponsorship for "Misi Bantuan Banjir Kumpulan Felda"
14. Collaboration with MBSA for a Fun Run at Shah Alam Hari Tanpa Kenderaan



ENVIRONMENTAL STATEMENT

Climate Change : Emission Management

In alignment with Malaysia's ambitious target of achieving a 45% reduction in greenhouse gas (GHG) emission intensity by 2030 and carbon neutrality by 2050, as outlined in the Paris Agreement, ENCORP is committed to supporting these national goals. As a responsible property developer, ENCORP has implemented a range of measures focused on both climate change mitigation and adaptation.

At ENCORP, sustainability is at the core of our operations, and we are committed to managing our environmental impacts effectively. As a responsible property developer, we continuously strive to reduce our greenhouse gas (GHG) emissions, minimise pollution, and practice proper waste management. We focus on optimising energy, material and water usage across all facets of our operations to foster a greener, more sustainable future.

Starting in 2024, ENCORP will begin calculating our carbon emissions as part of a comprehensive approach to understanding and mitigating climate change impacts. This calculation will allow us to establish a clear baseline, ensuring that we can measure progress and make informed decisions moving forward.

Our goal is to achieve a 20% reduction in carbon emissions intensity by 2030, aligned with Malaysia's national climate targets. Through these efforts, we aim to reduce our environmental footprint while contributing to the broader objective of carbon neutrality by 2050.

Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from company-owned vehicles and refrigerants used in company facilities. These emissions are calculated using vehicle mileage readings and estimates of refrigerant leakage. The Group actively monitors and manages these emissions by optimising fuel efficiency, investing in cleaner vehicle technologies, and implementing effective refrigerant management practices to minimise environmental impact.

Scope 2 emissions at ENCORP represent indirect greenhouse gas (GHG) emissions from the consumption of purchased electricity consumption across various operations, including our corporate office, project sites at Encorp Cahaya Alam, malls, and retail properties. These emissions are calculated based on total electricity consumption and the applicable emission factors for the energy sources used. ENCORP is focused on reducing these emissions through enhanced energy efficiency, the adoption of renewable energy and the implementation of energy-saving technologies.

The Group's reported Scope 3 emissions include indirect greenhouse gas (GHG) emissions from several key areas: employee commuting, business travel (covering both air and land transportation), purchased materials, water consumption and waste generated. These categories represent the broader environmental impact of ENCORP's operations beyond direct and energy-related emissions, helping to provide a comprehensive view of our sustainability footprint.



**THE CLIMATE IS CHANGING, SO MUST WE.
EVERY ACTION COUNTS.**

ENCORP CARBON EMISSION 2024

SCOPE 1 DIRECT EMISSIONS

GHG emissions are direct emissions from owned or controlled sources

Company vehicles	1.60 tCO ₂ e
Company facilities (Refrigerants)	14.05 tCO ₂ e

SCOPE 2 INDIRECT EMISSIONS

GHG emissions are indirect emissions from the generation of purchased energy

Purchased Electricity 3,936.40 tCO₂e

SCOPE 3 INDIRECT EMISSION

GHG emissions are all indirect emissions (not included in scope 1 and 2)

Employee commuting	200.32 tCO ₂ e
Business travel	64.35 tCO ₂ e
Water Supplied	9.81 tCO ₂ e
Purchased goods	2.25 tCO ₂ e
Waste generated	409.43 tCO ₂ e
Transmission and Distribution losses	169.57 tCO ₂ e

TOTAL CARBON EMISSION 2024

SCOPE 1 - 15.65 tCO₂e

SCOPE 2 - 3,935.40 tCO₂e

SCOPE - 3855.73 tCO₂e

TOTAL 4,807.78 tCO₂e

The total carbon emissions for 2024 are projected to reach 4,807.78 tCO₂e. Of this total, Scope 1 emissions contribute for 15.65 tCO₂e, primarily attributable to company vehicles and refrigerant units. Scope 2 emissions amount to 3,935.40 tCO₂e, primarily resulting from purchased electricity. Scope 3 emissions are amount to 855.73 tCO₂e, resulting from employee commuting, business travel (covering both air and land transportation), purchased materials, water consumption, and waste generated.

Energy Management

In 2024, our total energy consumption 9,024,304 kWh saw a 4% increase compared to 2023, primarily due to the expansion in data collection activities for Warna Avenue and a significant rise in the number of tenants at our Mall Management. This increase in energy usage is important to address as we look at our efforts toward sustainability and carbon reduction.

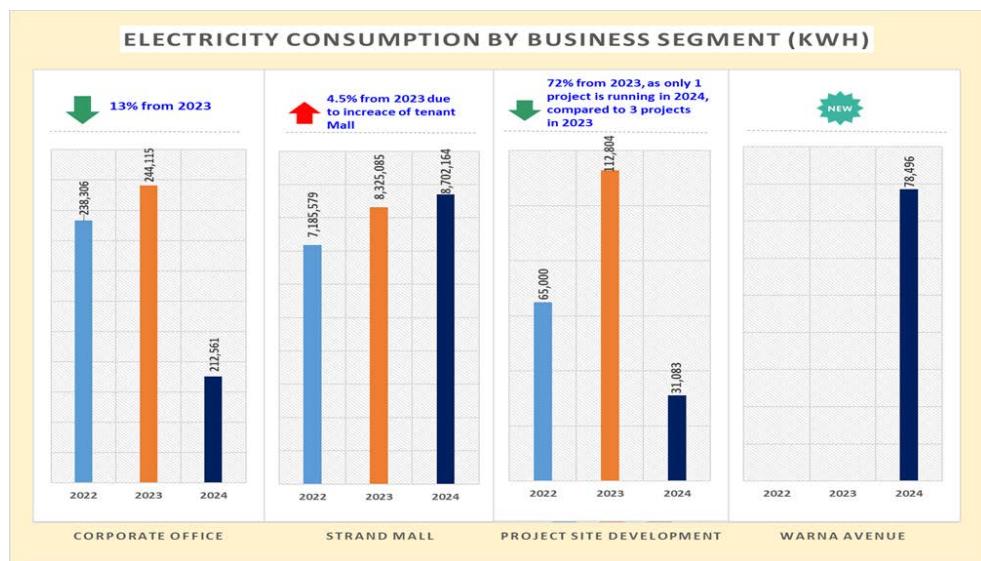
Factors Contributing to Increased Energy Consumption

Expansion of Data Collection for Warna Avenue:

The growth of Warna Avenue activities, particularly events such as the weekend Paazar and other community events, led to a substantial increase in energy usage. These events required more data collection, infrastructure for event management, and energy for lighting, sound systems, and other resources. The data-driven activities during these events also demanded increased energy for storage, processing, and management of the data generated.

Increase in Tenants at Mall Management Facilities:

As the number of tenants in our managed mall properties grew, so did the energy required for operations. More retail spaces and tenant activities meant increased energy consumption for lighting, heating, cooling, and other essential services in both common areas and individual stores.



	Corporate Office	Strand Mall	Project Site Development	Warna Avenue
Year of 2022	238,306	7,185,579	65,000	No Data
Year of 2023	244,115	8,325,085	112,804	No Data
Year of 2024	212,561	8,702,164	31,083	78,496

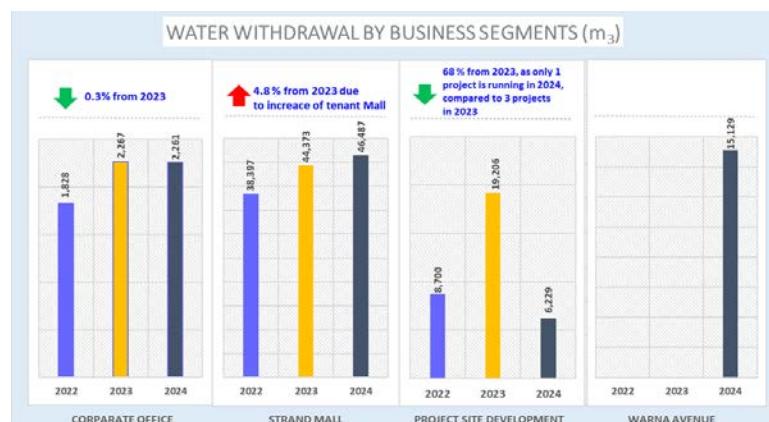
Energy Performance:

Energy management in our corporate office has resulted in a 13% decrease from 2023. For the mall, energy consumption has increased by 4.5% due to a rise in the number of tenants, from 44 in 2023 to 51 in 2024. For project site development, energy consumption has decreased by 68% from 2023, as only one project was running in 2024, compared to three projects in 2023.

Year	No. of tenants: Strand Mall	No. of tenants: Warna Avenue
Year of 2022	38	31
Year of 2023	44	41
Year of 2024	51	51

Water Management

The total estimated water consumption for 2024 was 70,106 m³, reflecting a 6.5% increase from 2023. This rise is attributed to the expansion of data collection activities at Warna Avenue and a significant increase in the number of tenants at our Mall Management.



	Corporate Office	Strand Mall	Project Site Development	Warna Avenue
Year of 2022	1,828	38,397	8,700	No Data
Year of 2023	2,267	44,373	19,206	No Data
Year of 2024	2,261	46,487	6,229	15,129

Water Withdrawal:

At ENCORP, our primary sources of water withdrawal include municipal supply at our corporate headquarters, mall, and project developments, as well as water from detention ponds located within our project sites. The water extracted from these detention ponds is typically used for our water bowser trucks, dust suppression activities, and landscaping. No water abstraction is carried out directly from river systems

Corporate Office

- Withdrawal of water from the municipal water supply for daily use.

Mall Management

- Municipal Supply: Water supplied by local authorities for general operations.
- Restroom Usage: Water for toilets, sinks and other restroom facilities.
- Landscaping: Water used for maintaining green spaces and outdoor areas.
- Cooling Systems: Water used in air conditioning and cooling equipment.
- Dust Suppression: Water used for controlling dust around construction or outdoor areas.
- Cleaning and Maintenance: Water used for cleaning floors, windows and other surfaces in common areas.
- Food Court and Restaurants: Water for cooking, cleaning and sanitation purposes in food service areas.
- Tenant Usage: Water consumed by tenants for various purposes, including restrooms, cooking, cleaning and other operational needs within their stores.

Project Site

- Equipping our properties with rainwater harvesting systems for irrigation and general cleaning.
- Withdrawal of water from existing retention ponds and detention ponds to water the landscape at our township development area.
- Withdrawal of recycled water from sediment ponds for dust suppression and tyre washing.
- Utilisation of treated underground water during the initial stages of projects for general cleaning and lavatories.

Water Disruption at Construction Sites:

At ENCORP, water disruptions at construction sites are carefully managed to minimise operational impacts. Temporary water shortages or interruptions may occur during certain phases of construction, such as excavation or utility installation. To mitigate these disruptions, we use alternative water sources, such as water from detention ponds and ensure that all essential activities like dust suppression, equipment cooling, and sanitation facilities remain functional. We prioritise restoring water supply quickly and efficiently to ensure the continued safety and effectiveness of the construction site operations.

Reducing Water Pollution:

ENCORP acknowledges the potential environmental impact of pollutants, particularly untreated wastewater containing silt, mud, or other contaminants, resulting from our construction activities. We recognise the risks these pollutants pose to local waterways, such as drainage blockages, flooding, and harm to downstream water ecosystems. In response, we are fully committed to adopting effective wastewater management practices, including the removal and treatment of wastewater on-site before discharge.

By implementing these measures, ENCORP ensures responsible environmental stewardship, safeguarding water quality and preventing negative consequences for local ecosystems. This proactive approach aligns with our commitment to sustainable development and the protection of the environment throughout our project lifecycle.

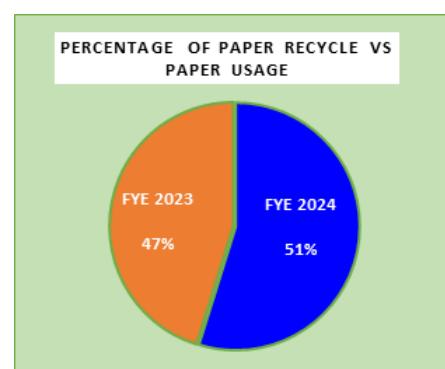
Material Management: Paper

At ENCORP, we recognise the critical role material management plays in reducing environmental impact. Our commitment to sustainability extends specifically to the responsible sourcing, utilisation, and disposal of paper and construction materials. We prioritise strategies that promote resource efficiency, waste reduction, and the adoption of sustainable practices throughout the lifecycle of these materials, from procurement to end-of-life disposal or recycling.

As part of our comprehensive sustainability strategy, ENCORP has placed a strong emphasis on reducing paper consumption and optimising the management of paper resources across our operations. Understanding the environmental implications of paper production—such as deforestation, energy consumption, and water use, we have implemented targeted initiatives aimed at reducing our paper footprint, enhancing recycling efforts, and adopting digital alternatives where feasible.

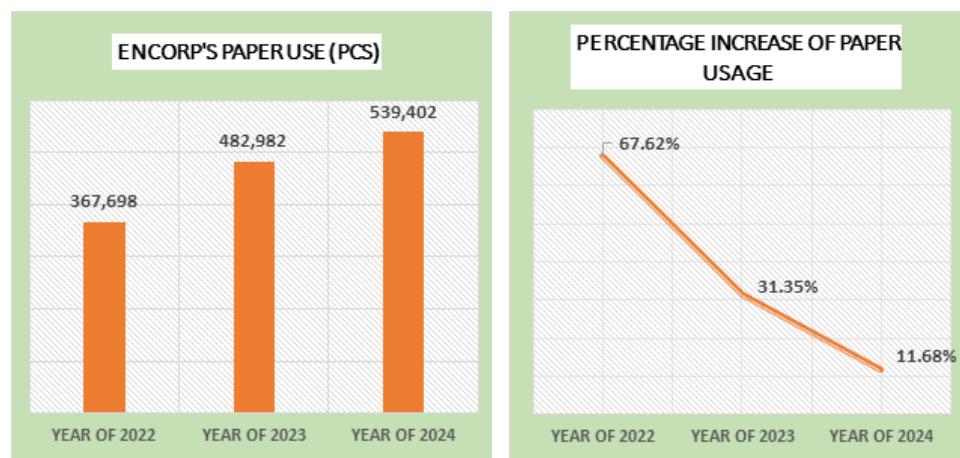
Paper Recycling Initiatives:

As part of our commitment to sustainability, we have successfully diverted 1,370.80 kg of paper waste from landfills, reflecting a 21% increase from 2023, through our comprehensive recycling initiatives. All paper waste generated within our facilities is systematically sorted and sent to certified recycling centres, where it is repurposed into new paper products. This initiative is a key component of our broader waste management strategy, which aims to achieve a 60% recycling rate compared to paper usage by the year 2026.



Paper Usage Performance:

In FY2024, paper usage increased by 11% compared to 2023, but the increase was slightly lower than the 31% rise observed from 2022 to 2023. The pattern of decreasing percentage increases in paper usage since 2022 is encouraging, as it suggests we are on track to achieve our target. While the slight increase in paper usage reflects certain operational demands, the reduction in the rate of growth demonstrates the effectiveness of our ongoing initiatives to optimise paper consumption. These initiatives, including the promotion of digital alternatives, improved document management systems, and employee engagement efforts, are integral to our commitment to reducing our environmental footprint.



Year	2024	2023	2022
Total Usage of Paper	539,402	482,982	367,698
Percentage Increase	11.68%	31.35%	67.62%

Waste Management

ENCORP's operations, primarily construction, generate domestic waste from mall and retail activities, as well as construction waste that is disposed of in landfills. We engage a third-party waste management vendor to handle all non-recyclable waste, which is disposed of in compliance with local waste regulations. In alignment with SDG 12 on responsible consumption and production, we are committed to reducing resource use and minimising construction waste generation.

Our approach to waste management can be summed up as follows:

Establishing for Less	Built with Less	Disposing Less
At the Strand Mall, we have incorporated waste separation and collection facilities to make it simpler for tenants to recycle their waste. At our property development, we have incorporated slip traps to reduce sand flowing into drains.	We encourage the recycling of waste and the minimising of wood usage in construction by our contractors. Our contractors are obligated to be transparent about the amount of waste they produce and the manner in which they get rid of it.	We work with our Strand Mall tenants to separate all of their waste, going beyond regulatory requirements to promote a recycling culture in our developments.

Waste Directed to Disposal:

Our projects also produce scheduled waste, which is managed in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, in addition to construction waste. At our project sites, generated scheduled waste is carefully labelled, kept, and disposed of when it reaches a predetermined level or duration. To collect and transport the scheduled waste for treatment before disposal, we only employ contractors who are authorised by the Department of Environment (DOE).

Waste Recycled/Diverted from Landfills:

We implement the 3Rs (Reduce, Reuse, and Recycle) strategy at our construction sites, ensuring the segregation of recyclable and reusable waste. This practice has significantly reduced the amount of waste sent to inert waste landfills. Scrap materials such as aluminium, power cables, scrap reinforcement bars, plastic barriers, galvanised pipes, and lighting fixtures are sold to other companies, further diverting waste from landfills. We continuously enhance our recycling initiatives by raising awareness and improving waste management efficiency.

Waste Management Performance:

There was significant decrease of 21% in the waste generated by the mall and development projects in 2024 compared to 2023. The total waste generated in 2024 is 918 tonnes, down from 1,165 tonnes in 2023. This reduction is attributed to improved waste management practices and the reduction in the number of active projects in 2024.



	Waste Generated (Non-Recyclable) Tonnes		
	2024	2023	2022
Strand Mall	515	520	380
Project Development	403	645	428
Total Waste (Tonne)	918	1,165	808



Waste Recycling Initiatives:

In FY2024, ENCORP successfully recycled 1,428.60 kg of waste at our corporate office, reflecting a 21% increase compared to the previous year. For 2025, we have set the target to implement a quarterly recycling programme within the corporate office, further strengthening our waste management efforts. In addition, we aim to introduce a project site recycling programme to increase the collection of recyclable materials, contributing to the reduction of carbon emissions and minimising our overall environmental impact. These initiatives are an integral part of our commitment to reducing our environmental footprint and advancing sustainable practices throughout our operations.

Category Waste	Waste Recycled/ Diverted		
	FYE 2024 (kg)	FYE 2023 (kg)	FYE 2022 (kg)
Paper	1,370.80	1,130.40	-
Plastic	54.70	54.70	-
Scrap Metal	3.10	0.90	-
Total	1,428.60	1,186.0	-

Total Waste Disposal (Tonnes)	918
Total Waste Recycled/ Diverted (Tonnes)	1.43
Percentage of Recycling vs. Disposal	0.2%

CONCLUSION

As we navigate ENCORP's sustainability journey, our unwavering pursuit of sustainable growth is driven by our Group-wide vision, mission, and core values. As we approach 2025, we embrace the opportunities and challenges ahead with agility, resilience, and perseverance. Sustainability remains at the core of our strategy, propelling us forward as we continue to innovate through a culture of continuous learning.

Our commitment to sustainability extends beyond growth. We proactively address both risks and opportunities, integrating green design principles into the very fabric of our townships and communities. In shaping a sustainable future, we focus on embedding sustainable practices into our strategic planning, ensuring that each step we take is in harmony with environmental goals.

We are committed to sustainability is not just a strategic priority but a responsibility we take seriously as we work toward a better future. Through our dedication to sustainable practices, eco-friendly developments, and continuous innovation, we are shaping a world where both the environment and communities can thrive. By integrating green principles, embracing new technologies, and ensuring that our projects benefit future generations, we are laying the foundation for a resilient, sustainable tomorrow. Our journey toward "Building a Sustainable Future" is driven by the belief that every action we take today has the potential to positively impact the world for generations to come.

Bursa ESG Performance Data Table

The ESG Performance Data Table included in this Sustainability Report was generated from Bursa Malaysia's ESG Reporting Platform, in compliance with the enhanced sustainability reporting requirements outlined in Bursa Malaysia's Main Market Listing Requirements.

The table is as follows:

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00
General Workers	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	1
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	149,095.00	64,513.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,000	13,720
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	62.00	52.00
Management Above 50	Percentage	38.00	48.00
Executive Under 30	Percentage	18.00	18.00
Executive Between 30-50	Percentage	74.00	74.00
Executive Above 50	Percentage	8.00	8.00
Non-executive/Technical Staff Under 30	Percentage	27.00	29.00
Non-executive/Technical Staff Between 30-50	Percentage	46.00	53.00
Non-executive/Technical Staff Above 50	Percentage	27.00	18.00
General Workers Under 30	Percentage	0.00	0.00
General Workers Between 30-50	Percentage	0.00	0.00
General Workers Above 50	Percentage	0.00	0.00
Gender Group by Employee Category			
Management Male	Percentage	74.00	76.00
Management Female	Percentage	26.00	24.00
Executive Male	Percentage	44.00	40.00
Executive Female	Percentage	56.00	60.00
Non-executive/Technical Staff Male	Percentage	100.00	100.00
Non-executive/Technical Staff Female	Percentage	0.00	0.00
General Workers Male	Percentage	0.00	0.00
General Workers Female	Percentage	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	80.00	80.00
Female	Percentage	20.00	20.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	20.00	0.00
Above 50	Percentage	80.00	100.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	5,023.10	9,024.30
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	128	128
Bursa (Labour practices and standards)			

Indicator	Measurement Unit	2023	2024
Bursa C6(a) Total hours of training by employee category			
Management	Hours	3,434	3,698
Executive	Hours	6,266	2,868
Non-executive/Technical Staff	Hours	518	447
General Workers	Hours	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff		13.30	11.72*
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	12	6
Executive	Number	11	8
Non-executive/Technical Staff	Number	1	10
General Workers	Number	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations		0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers		100.00	100.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used		65.850000	70.110000
Bursa (Waste management)			
Bursa C10(a) Total waste generated		-	918.00
Bursa C10(a)(i) Total waste diverted from disposal		-	1.43
Bursa C10(a)(ii) Total waste directed to disposal		-	919.43
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e		-	15.65
Bursa C11(b) Scope 2 emissions in tonnes of CO2e		-	3,935.40
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)		-	855.73



Encorp Cahaya Alam, Selangor

2024 HIGHLIGHTS



6 January 2024

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



15 January 2024

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



4 February 2024

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



18 February 2024

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



20 March 2024

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



25 March 2024

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

2024 HIGHLIGHTS

Corporate Social Responsibility



15 April 2024

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

Corporate



25 April 2024

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

Corporate



30 April 2024

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

Corporate



28 May 2024

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

Corporate Social Responsibility



30 May 2024

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

Corporate Social Responsibility



2 June 2024

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

2024 HIGHLIGHTS

Corporate



26 June 2024

ENCOPR's 24th Annual General Meeting.

Corporate Social Responsibility



28 – 30 June 2024

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

Corporate Social Responsibility



28 July 2024

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

Corporate Social Responsibility



2 – 4 August 2024

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

Corporate Social Responsibility



5 August 2024

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

Corporate Social Responsibility



16 – 20 August 2024

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

2024 HIGHLIGHTS

Corporate Social Responsibility



14 September 2024

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

Corporate Social Responsibility



28 October 2024

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

Corporate Social Responsibility



4 November 2024

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

Corporate Social Responsibility



4 December 2024

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

Corporate Social Responsibility



8 December 2024

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



ENCORP IN THE NEWS

01

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

02

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

03

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

04

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

05

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

06

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

07

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

06

07

05

03

04

02

01

RECOGNITION OF A GROWING ENCORP

Winner of HR Asia:

Best Companies to Work for in Asia Awards 2018, 2019, 2021

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

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

Winner of HR Asia:

Best Companies to Work for in Asia Awards 2017

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

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

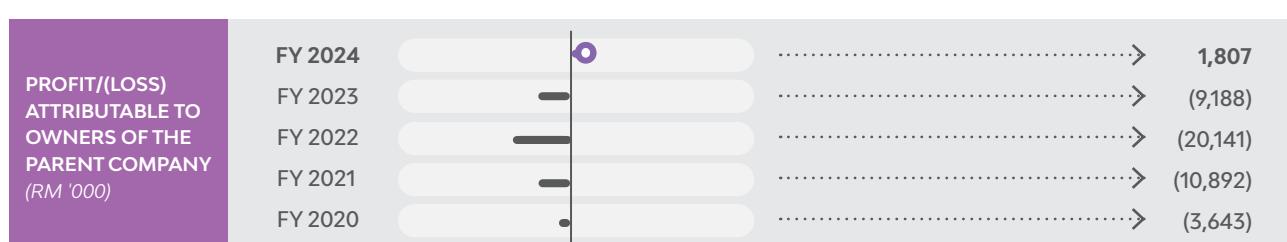
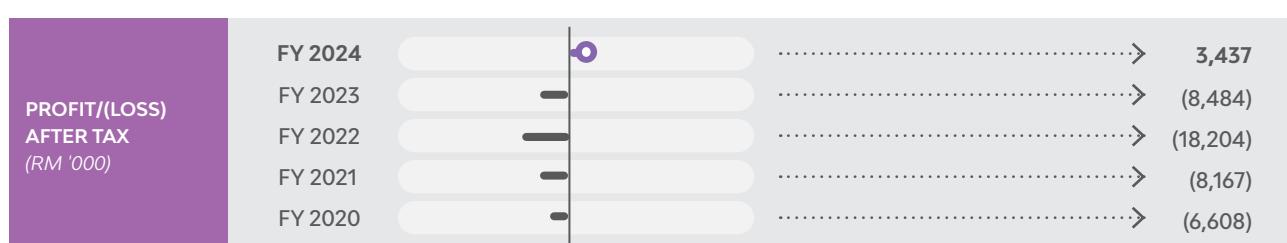
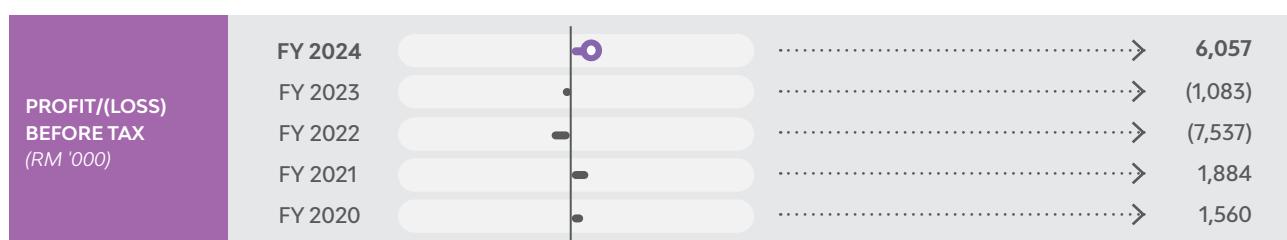
Winner of Property Development, Selangor Business Excellence Awards 2017

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

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



GROUP FINANCIAL HIGHLIGHTS



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

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

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

N4 Includes property development cost.

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

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

SHARE PERFORMANCE

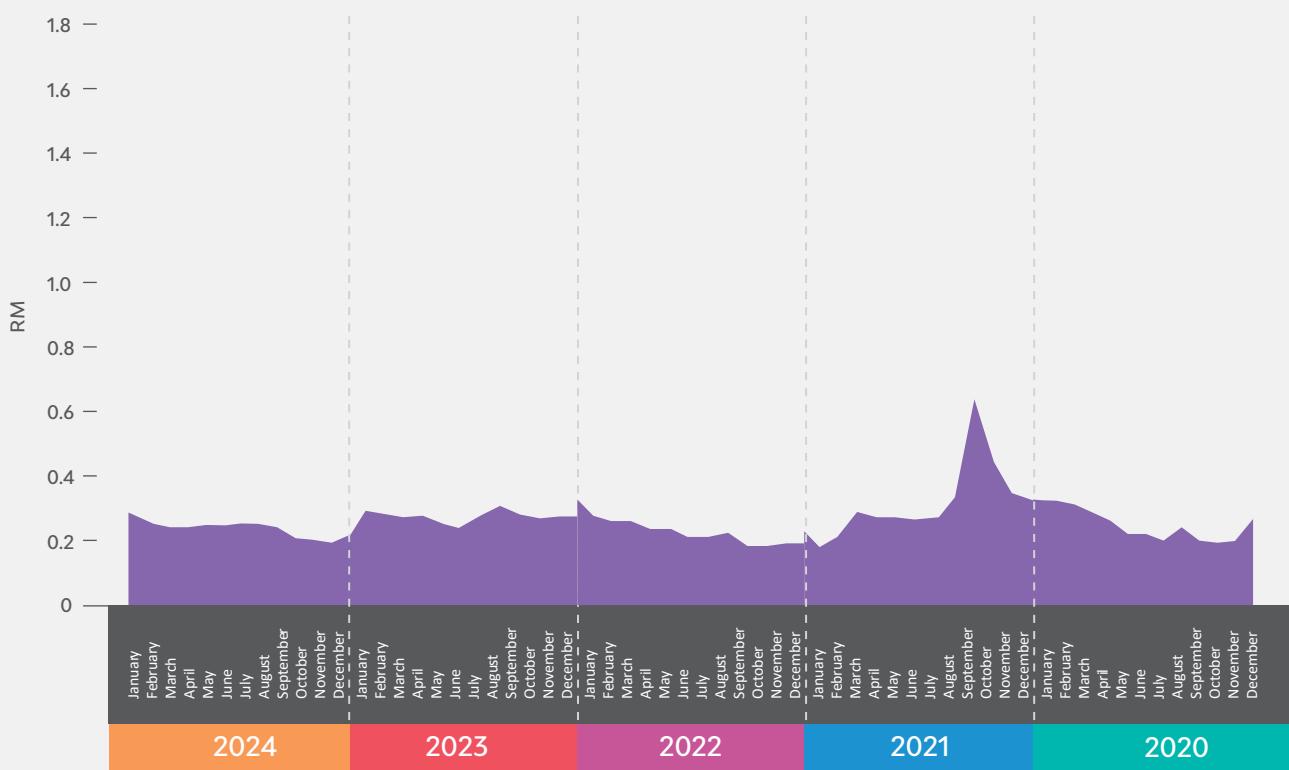
 Stock Exchange
Bursa Malaysia Securities Berhad

 Stock Name
ENCORP

 Stock Code
6076

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

SHARE PRICE (BURSA MALAYSIA) Based on month-end closing price



FASHION SHOW

Strand MALL

Contact Us For
Leasing, Retail & Event Space
Enquiries

[www.strandmall.com.my](#)

SPORTS

BAZAAR

C O R P O R A T E G O V E R N A N C E O V E R V I E W S T A T E M E N T

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

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board's Role and Responsibilities

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

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

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

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

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

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

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

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

Board Balance

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

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

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

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

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



Advisory Committee

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

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

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

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

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

Access to Information

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

Role of Company Secretary

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

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

Board Meetings

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

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

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

Sustainability

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

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

II. Board Composition

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

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

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

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

Board Independence

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

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

Tenure of Independent Directors

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

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

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

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

Appointment of Directors

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

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

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

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

Board Diversity

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

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

Re-Election and Re-Appointment of Directors

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

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

Directors' Training

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

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

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

Name of Director	Training and Seminars attended
Mohd Yusmadi Bin Mohd Yusoff	<ol style="list-style-type: none"> 1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad. 3. Chairman Roundtable & Networking Session: How Responsible Are You in Strategic Risk Management by Institute of Corporate Directors Malaysia (ICDM).



Name of Director	Training and Seminars attended
Datuk Haji Jaafar Bin Abu Bakar	<ol style="list-style-type: none"> 1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad.
Mahadzir Bin Mustafa (Resigned w.e.f 21/2/2025)	<ol style="list-style-type: none"> 1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad.
Tuan Haji Lukman Bin Abu Bakar	<ol style="list-style-type: none"> 1. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad.
Dato' Dr. Suzana Idayu Wati Binti Osman	<ol style="list-style-type: none"> 1. Sustainability session for FGV Board and Management (FGV Group sustainability division). 2. Beyond Anti-Corruption: Strengthening Corporate Integrity, Building an Ethical Culture by Trident Integrity Solutions Sdn Bhd. 3. Affin Bank Market Outlook 2024: Propelling Malaysia Forward (Affin Bank Group). 4. 35th Palm and Lauric Oil Price Outlook Conference & Exhibition (Bursa Malaysia Derivatives Berhad). 5. The 21st Century Corporate Board – Your complete Roadmap to Modern Governance Practices (Kexxel Group). 6. Mandatory Accreditation Programme Part II: Leading for Impact (LIP) by Bursa Malaysia Securities Berhad. 7. Dinner Talk by Prof. Richard Vietor "The World Economy" (Harvard Business School Alumni Club of Malaysia). 8. Cyber Security Awareness Talk (Private Pension Administration Malaysia). 9. Khazanah Megatrends Forum 2024 (Khazanah National Berhad). 10. FGV Board of Directors Strategic Retreat Roundtable Discussions – Proposed Business Plan and Budget FYE2025-2027 (FGV Group Strategy Division). 11. Forum Ekonomi Malaysia 2025 (Kementerian Ekonomi). 12. Plantation Division Managers' Seminar 2025 (FGV Plantation Division).

III. Remuneration

Board Remuneration

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

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

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

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

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

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

(ii) Evaluation

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

(iii) Succession planning and training

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

(iv) Remuneration

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

(v) Additional duties and responsibilities

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

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

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

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

Policies and Procedures

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

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

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

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

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

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

Senior Management Remuneration

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit, Risk and Governance Committee

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

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

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

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

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

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

Relationship with External Auditors

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

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

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

II. Risk Management and Internal Control Framework

Risk Management Committee

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

Internal Control

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

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

Whistle Blowing Policy

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

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

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

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

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

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

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

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

Internal Audit Function

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

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

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

I. Communication with Stakeholders

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

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

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



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

Corporate Disclosure Policy

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

II. Conduct of General Meetings

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

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

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

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

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

Future Priorities

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

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

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Audit and Non-Audit Fees

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

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

Material Contracts

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

Recurrent Related Party Transactions

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

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

Utilisation of Proceeds

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



AUDIT, RISK AND GOVERNANCE COMMITTEE REPORT

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

MEMBERSHIP AND MEETINGS OF THE ARGC

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

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

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

TERMS OF REFERENCE OF ARGC

Objective

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

Composition

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

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

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

- (a) a member of the Malaysian Institute of Accountants ("MIA"); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience; and
 - he must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) fulfils such other requirements as prescribed or approved by Bursa Securities.

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

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

Chairman

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

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

Secretary

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

Meetings

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

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

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

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

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

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

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

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

Resolution in Writing

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

Minutes

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

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

Quorum

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

Authority

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

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have full and unlimited/unrestricted access to all information and documents/resources required to perform its duties;
- (c) obtain independent professional or other advice; and
- (d) have direct communication channels with the external auditors and persons carrying out the internal audit function or activity.

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

Duties

The duties of the ARGC shall be:-

(a) oversee all matters relating to external audit

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

(b) oversee all matters relating to internal audit

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

(c) review of financial statements

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

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

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

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

(e) governance responsibilities

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

(f) additional duties and responsibilities

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

Review of Committee

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

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

TRAINING

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

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

SUMMARY OF ACTIVITIES OF THE ARGC DURING 2024

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

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

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE YEAR

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

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

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

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

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



STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

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

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

RESPONSIBILITY AND ACCOUNTABILITY

AT BOARD LEVEL

The Board

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

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

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

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

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

Audit, Risk and Governance Committee ("ARGC")

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

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

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

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

Advisory Committee

To strengthen its strategic oversight and risk management capabilities, the Board established an Advisory Committee on 30 May 2024. The Committee provides independent insights and expert guidance on key areas such as investment strategies, financial management, project execution, and

human capital development. Its primary role is to support the Board in shaping the Group's strategic direction and ensuring effective governance over major business initiatives, risk controls and internal processes.

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

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

AT OPERATIONAL/IMPLEMENTATION LEVEL

Management

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

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

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

Internal Audit Function

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

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

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

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



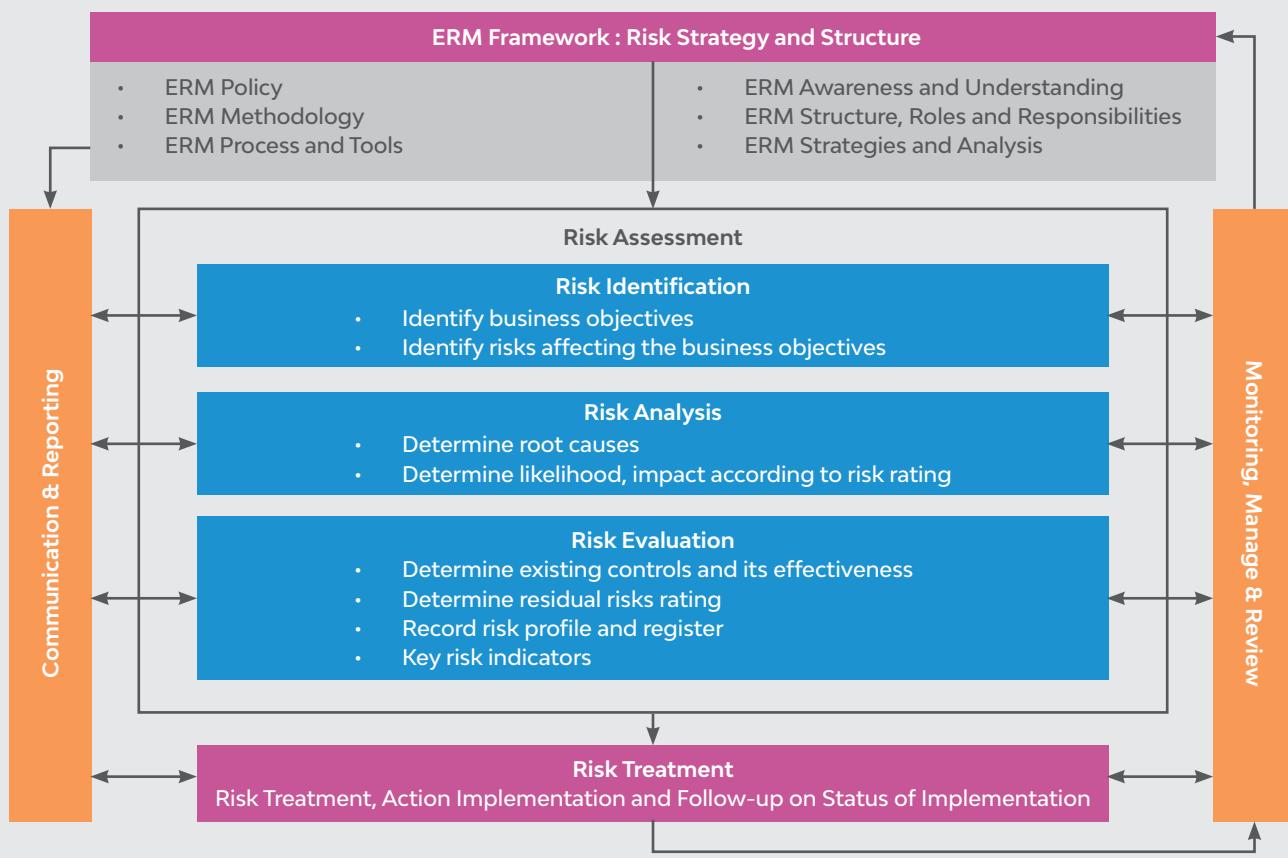
KEY FEATURES OF THE RISK MANAGEMENT FRAMEWORK

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

RISK MANAGEMENT

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

The ERM process adopted is as follows:



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

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

The Management of each business unit, in establishing its business objectives, is required to identify and document all

possible risks that can affect their achievement, taking into consideration the effectiveness of controls that are capable of mitigating such risks.

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

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

KEY INTERNAL CONTROL SYSTEM AND STRUCTURE

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

Board Committees

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

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

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

Management Committees

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

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

Annual Plan, Budgets and Management Reports

Annual Plans And Budgets

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

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

Management and Board Monitoring And Reporting

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

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

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

Values, Code of Conduct and Group Policies

A. Values and Conduct

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

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

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

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

B. Limits of Authority ("LOA")

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

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

C. Policies and Procedures

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

D. Compliance, Ethics and Integrity

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

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

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

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

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

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

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

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

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

Human Capital Management

A. Employee Engagement And Performance

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



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

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

B. Employee Conduct

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

Insurance On Key Assets

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

Information Technology Management And Cyber Security

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

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

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

QUALITY MANAGEMENT SYSTEM

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

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

BUSINESS CONTINUITY MANAGEMENT

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

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

INFORMATION AND COMMUNICATION PROCESSES

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

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

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

MATERIAL JOINT VENTURES AND ASSOCIATES

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

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

RISK REVIEW FOR FINANCIAL YEAR AND SCOPE

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

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

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

ASSURANCE FROM MANAGEMENT

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

CONCLUSION

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

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITY

On Annual Audited Financial Statements

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

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

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

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

DIRECTORS' REPORT & AUDITED FINANCIAL STATEMENTS

Encorp Berhad
(Incorporated in Malaysia)

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Encorp Berhad
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Directors' report

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

Principal activities

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

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

Results

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

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

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

Reserves and provisions

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

Treasury shares

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

Dividend

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

Encorp Berhad (Incorporated in Malaysia)

Directors

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

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

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

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

Directors' benefits

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

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

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	935	663
Allowances and other emoluments	188	138
	<hr/> <u>1,123</u>	<hr/> <u>801</u>

Directors' interests

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

Holding company and body

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

**Encorp Berhad
(Incorporated in Malaysia)**

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which the Group and the Company might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances, which would render:
 - (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Indemnity and insurance for directors and officers

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

**Encorp Berhad
(Incorporated in Malaysia)**

Auditors and auditors' remuneration

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

Auditors' remuneration is as follows:

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

Indemnification of auditors

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

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

Mohd Yusmadi Bin Mohd Yusoff
Director

Datuk Haji Jaafar Bin Abu Bakar
Director

**Encorp Berhad
(Incorporated in Malaysia)**

Statement by directors

Pursuant to Section 251(2) of the Companies Act 2016

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

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

Mohd Yusmadi Bin Mohd Yusoff
Director

Datuk Haji Jaafar Bin Abu Bakar
Director

Statutory declaration

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

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

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

Kamarul Azman Bin
Kamarozaman @ Amir
CA 43538

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

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

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

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

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

Key audit matters (cont'd.)

a) Revenue and cost of sales from property development activities

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

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

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

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

- Reviewed samples of sales and purchase agreements entered into with customers to obtain an understanding of the significant performance obligations, terms and conditions to be satisfied;
- Obtained an understanding of management's internal control over the revenue recognition process, including controls over the timing of revenue recognition and the estimation of property development costs, profit margin and progress towards completion of property development activities;
- Evaluated the assumptions applied in estimating the property development costs for property development phases on a sampling basis by examining documentary evidence such as letter of award issued to contractors to support the budgeted costs;
- Evaluated the actual property development costs incurred by examining documentary evidence such as contractors' progress claims and suppliers' invoices; and
- Assessed the mathematical accuracy of the calculation of progress towards completion in respect of revenue and profit recognised.

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

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

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

Key audit matters (cont'd.)

b) Valuation of investment properties

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

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

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

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

- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
- Reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- Evaluated the appropriateness of the data used by the independent valuers as input into their valuations. We interviewed the external valuers, discussed and challenged the significant estimates and assumptions applied in their valuation process; and
- Assessed the adequacy of the disclosures of the Group's accounting policies, significant judgement and estimates, including the basis and assumptions used in determining the fair values of the investment properties.

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

c) Impairment of amount due from a subsidiary

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

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

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

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

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

Key audit matters (cont'd.)

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

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

- Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amount due from EDPL; and
- Evaluated the assumptions applied in the determination of the amount and timing of receipts from EDPL in light of the estimation of profits and the resulting cash flows to be derived from the operations of EDPL.

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

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

Responsibilities of the directors for the financial statements

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

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



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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Other matters

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

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

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

Kuala Lumpur, Malaysia
11 April 2025

Statements of comprehensive income
For the year ended 31 December 2024

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

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

Statements of financial position
As at 31 December 2024

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

Statements of financial position

As at 31 December 2024 (cont'd.)

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

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

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

-----Attributable to owners of the Company-----

	Non-distributable				
	Share capital (Note 25) RM'000	Treasury shares (Note 25) RM'000	Other reserves (Note 26) RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2024	399,016	(327)	28,121	(97,830)	328,980
Profit for the year				1,807	1,807
Other comprehensive income			4,242	-	4,242
Total comprehensive income			4,242	1,807	6,049
At 31 December 2024	399,016	(327)	32,363	(96,023)	335,029
					91,441
					426,470

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

-----Attributable to owners of the Company-----
-----Non-distributable-----

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

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

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

-----Non-distributable-----

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

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

Statements of cash flows

For the year ended 31 December 2024

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

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

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

Statements of cash flows

For the year ended 31 December 2024 (cont'd.)

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

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

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

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

At 31 December 2024

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

Company

Loans and borrowings (Note 28)	15,000	(23)	186	15,163
Lease liabilities (Note 19(b))	16,502	(2,510)	946	14,938
Total liabilities from financing activities	31,502	(2,533)	1,132	30,101

At 31 December 2023

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

Company

Loans and borrowings (Note 28)	15,000	-	-	15,000
Lease liabilities (Note 19(b))	18,548	(2,511)	465	16,502
Total liabilities from financing activities	33,548	(2,511)	465	31,502

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

Notes to the financial statements

31 December 2024

1. Corporate information

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

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

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

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

2. Summary of accounting policies

2.1 Basis of preparation

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

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

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

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

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

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

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

2.2 Adoption of new and revised pronouncements

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

Effective for annual periods beginning on or after 1 January 2024

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

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

2.3 Standards issued but not yet effective

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

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

Amendments to MFRS 121	Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)
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Effective for annual periods beginning on or after 1 January 2026:

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

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

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

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

MFRS 18
MFRS 19

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

Deferred:

Amendments to MFRS 10 and MFRS 128

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

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

2.4 Basis of consolidation

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

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

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

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

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

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

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

2.4 Basis of consolidation (cont'd.)

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

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

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

2.5 Business combinations and goodwill

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

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

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

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

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

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

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

2.6 Foreign currency

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

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

(c) Group companies

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

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

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

2.7 Property, plant and equipment

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

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

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

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

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

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

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

2.8 Leases

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

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

As a lessee

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

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

2.8 Leases (cont'd.)

As a lessee (cont'd.)

(i) Right-of-use assets

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

Office premise	15 years
Office equipments	3 years

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

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

(ii) Lease liabilities

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

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

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

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

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

2.8 Leases (cont'd.)

As a lessor

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

2.9 Investment properties

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

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

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

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

2.10 Impairment of non-financial assets

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

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

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

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

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

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

2.11 Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

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

2.11 Financial assets (cont'd.)

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets at fair value through profit or loss

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or
 - (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

2.11 Financial assets (cont'd.)

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

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

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

2.12 Impairment of financial assets

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

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

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

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

2.13 Inventories

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

(a) Land held for property development

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

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

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

(b) Property development costs

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

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

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

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

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

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

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

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

2.13 Inventories (cont'd.)

(c) Completed properties

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

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

2.14 Contract assets and Contract liabilities

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

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

2.15 Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

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

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

2.15 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

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

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

(b) Other financial liabilities

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

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

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

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

Derecognition

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

Offsetting of financial instruments

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

2.16 Borrowing costs

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

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

2.17 Revenue from contracts with customers

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

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

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

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

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

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

(a) Sale of development properties

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

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

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

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

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

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

(b) Construction contracts

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

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

(c) Sale of completed properties

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

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

(d) Concession income

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

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

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

(e) Rental income

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

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

2.18 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

2.18 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

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

2.19 Contingencies

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

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

2.20 Fair value measurements

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

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

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

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

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

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

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

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

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

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

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

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

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

(a) Property development

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

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

(b) Fair value adjustments of investment properties

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

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

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

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

4. Revenue

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

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

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

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

5. Cost of sales

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

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

6. Other operating income

Included in other operating income are as follows:

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

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

7. Finance costs

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

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

8. Profit/(loss) before tax

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

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

9. Employee benefits expense

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

10. Directors' remuneration

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

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

11. Income tax expense

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

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

11. Income tax expense (cont'd.)

Reconciliation between tax and accounting profit/(loss)

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

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

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

12. Earning/(loss) per share

(a) Basic

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

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

	2024 RM'000	2023 RM'000
Profit/(loss) for the year attributable to owners of the Company used in the computation of basic earnings/(loss) per share	1,807	(9,188)
 Number of Shares		
	2024 '000	2023 '000
Weighted average number of ordinary shares for basic earnings/(loss) per share computation*	316,299	316,299

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

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

(b) Diluted

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

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

13. Property, plant and equipment

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

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

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

- (a) During the financial year, the Group and the Company acquired property, plant and equipment amounting to RM411,000 (2023: RM1,244,000) and RM327,000 (2023: RM317,000) respectively, by way of cash payments of RM230,000 (2023: RM1,244,000) and RM146,000 (2023: RM317,000) respectively. The remaining was acquired via hire purchase arrangement as disclosed in Note 28(g).
- (b) Included in property, plant and equipment of the Group is one unit (2023: one unit) of terrace shop office with net carrying amount of RM2,076,000 (2023: RM2,130,000) which has been pledged as a fixed charge for term loans and revolving credit facilities as disclosed in Note 28(b).

14. Investment properties

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

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

(a) Transfer from property, plant and equipment

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

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

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

The following properties have been pledged as security for borrowings:

- (i) During the year, 23 units (2023: 23 units) of terrace shop offices are charged as security for term loans and revolving credit facilities as disclosed in Note 28(b), 28(e) and 28(f).
- (ii) Shopping mall included in the investment properties has been pledged as security for bank loan as disclosed in Note 28(b).

15. Inventories

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

(a) Land held for property development

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

15. Inventories (cont'd.)

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

(b) Property development costs

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

15. Inventories (cont'd.)

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

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

(i) Development expenditure

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

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

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

(iii) Development costs charged to FELDA

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

15. Inventories (cont'd.)

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

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

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

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

(c) Properties held for sale

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

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

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

16. Investment in subsidiaries

	Company 2024 RM'000	Company 2023 RM'000	Proportion (%) of ownership interest held by non-controlling interest 2024	Proportion (%) of ownership interest held by non-controlling interest 2023
Unquoted shares, at cost	296,710	296,710	-	-
Impairment loss on investment in subsidiaries	(166,750)	(166,750)	-	-
	129,960	129,960		
(a) Details of the subsidiaries are as follows:				
Name of subsidiaries	Share capital RM'000	Principal place of business/Country of incorporation	Principal activities	Proportion (%) of ownership interest held by non-controlling interest 2024
Encorp Construction & Infrastructure Sdn. Bhd.	50,000	Malaysia	Investment holding and construction project management	100
Encorp Must Sdn. Bhd.	10,000	Malaysia	Investment holding and property project management	100
Encorp Development Pty. Ltd.^	+	Australia	Property development	100
Encorp Facilities Management Sdn. Bhd.	750	Malaysia	Facilities management services provider	100

16. Investment in subsidiaries (cont'd.)

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

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



16. Investment in subsidiaries (cont'd.)

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

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

16. Investment in subsidiaries (cont'd.)

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

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

(b) Non-controlling interests in subsidiaries

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

(i) Summarised statements of financial position

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

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

16. Investment in subsidiaries (cont'd.)

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

(ii) Summarised statements of comprehensive income

At 31 December 2024	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Revenue	48,707	-	48,707
Profit/(loss) for the year	8,495	(3,060)	5,435
Profit/(loss) representing total comprehensive income/(loss) attributable to the non-controlling interests	<u>2,548</u>	<u>(918)</u>	<u>1,630</u>
At 31 December 2023	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Revenue	69,577	-	69,577
Profit/(loss) for the year	3,144	(796)	2,348
Profit/(loss) representing total comprehensive income/(loss) attributable to the non-controlling interests	<u>943</u>	<u>(239)</u>	<u>704</u>

(iii) Summarised statements of cash flows

At 31 December 2024	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Net cash generated from operating activities	9,211	35	9,246
Net cash generated from investing activities	1,004	-	1,004
Net cash used in financing activities	(14,783)	-	(14,783)
Net (decrease)/increase in cash and cash equivalents	(4,568)	35	(4,533)
Cash and cash equivalents at beginning of the year	12,147	1	12,148
Cash and cash equivalents at end of the year	<u>7,579</u>	<u>36</u>	<u>7,615</u>
At 31 December 2023	MEDSB Group RM'000	EMLSB RM'000	Total RM'000
Net cash used in operating activities	(23,049)	(233)	(23,282)
Net cash generated from investing activities	3,441	-	3,441
Net cash generated from financing activities	1,884	-	1,884
Net decrease in cash and cash equivalents	(17,724)	(233)	(17,957)
Cash and cash equivalents at beginning of the year	29,871	234	30,105
Cash and cash equivalents at end of the year	<u>12,147</u>	<u>1</u>	<u>12,148</u>

17. Intangible assets

Group	Goodwill on consolidation RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 January 2023, 31 December 2023 and 1 January 2024	197,003	2,317	199,320
Additions	-	244	244
At 31 December 2024	197,003	2,561	199,564
Accumulated amortisation			
At 1 January 2023	-	2,165	2,165
Amortisation (Note 8)	-	40	40
At 31 December 2023 and 1 January 2024	-	2,205	2,205
Amortisation (Note 8)	-	45	45
At 31 December 2024	-	2,250	2,250
Accumulated impairment losses			
At 1 January 2023, 31 December 2023 and 31 December 2024	197,003	-	197,003
Net carrying amount:			
At 31 December 2023	-	112	112
At 31 December 2024	-	311	311
Company			
Cost			
At 1 January 2023, 31 December 2023 and 1 January 2024		1,548	
Additions		244	
At 31 December 2024		1,792	
Accumulated amortisation:			
At 1 January 2023		1,417	
Amortisation (Note 8)		36	
At 31 December 2023 and 1 January 2024		1,453	
Amortisation (Note 8)		40	
At 31 December 2024		1,493	
Net carrying amount			
At 31 December 2023		95	
At 31 December 2024		299	

18. Trade and other receivables

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

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

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

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

(a) Trade receivables

Ageing analysis of trade receivables

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

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

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

(b) Concession income receivables

Group	2024 RM'000	2023 RM'000
Concession income receivables:		
Within 1 year	136,779	136,779
More than 1 year and less than 2 years	136,779	136,779
More than 2 years and less than 5 years	148,190	284,970
	421,748	558,528
Unearned income	(60,103)	(101,511)
	361,645	457,017

Concession income receivables analysed as:

Due within one year	105,358	95,372
Due after one year	256,287	361,645
	361,645	457,017

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

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

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

(c) Allowance for expected credit losses

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

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

Movement in allowance accounts for trade receivables:

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

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

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

Movement in allowance accounts for other receivables:

Group	2024 RM'000	2023 RM'000
At 1 January	48,703	48,180
Expected credit losses (Note 8)		
- Individually assessed	-	1,050
- Reversal of expected credit losses	(1,831)	(27)
Written-off	-	(500)
At 31 December	<u>46,872</u>	<u>48,703</u>
Company		
At 1 January	85,653	89,892
Expected credit losses (Note 8)		
- Individually assessed (Note (i))	-	221
- Reversal of expected credit losses	(1,570)	(4,460)
At 31 December	<u>84,083</u>	<u>85,653</u>

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

(d) Amounts due from subsidiaries and immediate holding company

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

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

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

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

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

19. Leases

Group as a lessee

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

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

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

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

19. Leases (cont'd.)

Group as a lessee (cont'd.)

(b) Lease liabilities (cont'd.)

Leases liabilities are payables as follows:

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

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

(c) Lease payments not recognised as a liability

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

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

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

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

19. Leases (cont'd.)

Group as a lessor

Operating lease commitments

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

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

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

20. Deferred tax

Deferred tax as at 31 December relates to the following:

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

20. Deferred tax (cont'd.)

Presented after appropriate offsetting as follows:

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

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

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

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

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

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

21. Other investments

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

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

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

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

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

22. Contract assets/(liabilities)

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

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

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

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

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

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

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

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

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

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

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

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

23. Other current assets

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

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

24. Cash and cash equivalents

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

- (a) Included in cash at bank of the Group is an amount of RM2,548,000 (2023: RM7,089,000) held pursuant to Section 7A of the Housing and Development (Control & Licensing) Act, 1966 and RM12,000 (2023: RM 66,000) held pursuant to Section 7 of the Housing (Control and Licensing of Development) Enactment, 1978 and restricted from use in other operations.
- (b) The deposits with licensed banks amounting to RM940,000 (2023: RM1,014,000) of the Group are pledged to banks as securities for credit facilities granted to subsidiaries.
- (c) Cash at bank and on hand of the Group include an amount of RM48,000 (2023: RM59,000) maintained in Escrow Account and Finance Service Reserve Account to meet the payment obligations arising from the Sukuk Murabahah as disclosed in Note 28(a).

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

25. Share capital and treasury shares

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

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

(a) Share capital

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

(b) Treasury shares

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

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

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

26. Other reserves

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

(a) Foreign currency translation reserve

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

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

(b) Capital contribution reserve

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

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

(c) Fair value reserve

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

27. Trade and other payables

Group	Note	2024 RM'000	2023 RM'000
Current			
Trade payables			
Amount due to:			
- third parties	(a)	13,821	14,295
Retention sum on construction contracts		10,907	16,221
Land proprietor	(b)	1,620	1,620
Total trade payables		<u>26,348</u>	<u>32,136</u>
Other payables			
Amount due to:			
- ultimate holding company		3,220	-
- immediate holding company	(c)	5,337	6,113
Sundry payables		18,107	17,878
Provision for short-term accumulating compensated absences	(d)	331	269
Other accruals		<u>47,363</u>	<u>36,552</u>
Total other payables		<u>74,358</u>	<u>60,812</u>
Total current trade and other payables		<u>100,706</u>	<u>92,948</u>
Non-current			
Trade payables			
Land proprietor	(b)	1,526	1,399
Non-controlling interests of a subsidiary	(f)	13,520	12,782
Total non-current trade payables		<u>15,046</u>	<u>14,181</u>
Total trade and other payables		<u>115,752</u>	<u>107,129</u>
Company			
Current			
Trade payables			
Amount due to third party	(a)	<u>8</u>	<u>8</u>
Other payables			
Amount due to:			
- subsidiaries	(e)	43,071	38,138
- immediate holding company	(c)	5,337	6,113
Sundry payables		5,630	5,443
Provision for short-term accumulating compensated absences	(d)	140	98
Other accruals		<u>8,077</u>	<u>5,701</u>
Total other payables		<u>62,255</u>	<u>55,493</u>
Total trade and other payables		<u>62,263</u>	<u>55,501</u>

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

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

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

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

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

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

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of financial year	269	245	98	82
Recognised in profit or loss (Note 9)	331	269	140	98
Utilised during the year	(269)	(245)	(98)	(82)
At end of financial year	<u>331</u>	<u>269</u>	<u>140</u>	<u>98</u>

(e) The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

(f) These are amounts due in relation to the purchase of a piece of 4.97 acres freehold development land in Daerah Kuatan, Pahang. The outstanding amount is repayable progressively in tandem with the sales collection of properties from the said land.

28. Loans and borrowings

Note		Group		Company		
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Current						
Secured:						
Sukuk Murabahah						
	(a)	101,605	92,813	-	-	
Term loan 1	(b)	-	15,287	-	-	
Term loan 2	(c)	8,225	9,258	-	-	
Bridging loan	(d)	1,667	1,250	-	-	
Revolving credit 1	(b)	12,500	12,500	-	-	
Revolving credit 2	(e)	15,000	15,000	15,000	15,000	
Revolving credit 3	(f)	19,704	19,200	-	-	
Hire purchase	(g)	37	-	37	-	
Total current loans and borrowings		<u>158,738</u>	<u>165,308</u>	<u>15,037</u>	<u>15,000</u>	

28. Loans and borrowings (cont'd)

	Note	Group		Company		
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Non-current						
Secured:						
Sukuk Murabahah	(a)	299,753	401,358	-	-	
Term loan 1	(b)	-	-	-	-	
Bridging loan	(d)	2,083	3,750	-	-	
Hire purchase	(g)	126	-	126	-	
Total non-current loans and borrowings		301,962	405,108	126	-	
Total loans and borrowings		460,700	570,416	15,163	15,000	

The remaining maturities of loans and borrowings as at 31 December are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
On demand or within one year	158,737	165,308	15,037	15,000
More than 1 year and less than 2 years	112,231	103,272	38	-
More than 2 years and less than 5 years	189,732	301,836	88	-
	460,700	570,416	15,163	15,000

(a) Sukuk Murabahah

The weighted average effective interest rates of borrowings as at the reporting date is 9.72% (2023: 9.72%) per annum.

A subsidiary of the Group, Encorp Systembilt Sdn. Bhd. had on 18 May 2012 issued Islamic Securities of Sukuk Murabahah ("Sukuk") based on the Shariah principle of Murabahah via a Tawarruq arrangement with a total nominal value of RM1.575 billion. The Sukuk was issued for the following purposes:

- (i) to refinance all of the amounts outstanding under the existing Al-Bai' Bithaman Ajil Notes Issuance Facilities which had previously been issued to finance the planning, design, construction and completion of 10,000 units of teachers' quarters for the Government of Malaysia;
- (ii) to fund the Trustees' Reimbursement Account; and
- (iii) the balance, for the subsidiary's general corporate expenses which includes payments to defray expenses incurred in relation to the issuance of the Sukuk and a one-time dividend payment to its immediate holding company.

28. Loans and borrowings (cont'd)

(a) Sukuk Murabahah (cont'd)

The Sukuk has a tenure of up to 16 years and matures on 18 May 2028. The principal amount of the Sukuk is divided into 31 tranches and redeemable semi-annually. The yield to maturity ranges from 8.37% to 10.44% per annum, and is repayable half yearly.

The Sukuk is secured over the following:

- (i) assignment of the concession payments in respect of 10,000 units of teachers' quarters under the Privatisation Agreement dated 9 February 1998 between the Government of Malaysia and the subsidiary;
- (ii) a debenture to create a first ranking fixed and floating charge over all present and future assets of the subsidiary; and
- (iii) first ranking charge and assignment of the designated accounts which include:
 - an Escrow Account in which all the payments from the Government of Malaysia pursuant to the Privatisation Agreement and all other income, revenue or proceeds received by the subsidiary (save for proceeds from the Sukuk) are to be deposited and shall be operated solely by the Security Trustee; and
 - a Finance Service Reserve Account utilised solely for the profit payments under the Sukuk falling due and payable and shall be solely operated by the Security Trustee.

The major covenants that are required to be complied by the subsidiary are as follows:

- (i) to maintain a Finance Service Cover Ratio of at least 1.20 times throughout the tenure of the Sukuk Murabahah to be duly confirmed by the external auditors based on the latest audited financial statements on an annual basis; and
- (ii) to maintain an amount equivalent to the next immediate profit payment in the Finance Service Reserve Account at least three (3) months prior to such profit payment due date.

(b) Term loan 1 and revolving credit 1

Term loan 1 is at bank's one-month effective cost of funds + 3.50% (2023: cost of funds + 3.50%) per annum. Revolving credit 1 of RM12.5 million is at effective cost of funds + 2.75% (2023: cost of funds + 2.75%) per annum.

These loans are secured by a fixed charge over the Group's one unit (2023: one unit) of terrace shop office recognised as property, plant and equipment as disclosed in Note 13, three units (2023: three units) of terrace shop offices recognised as investment properties as disclosed in Note 14, shopping mall included in investment properties as disclosed in Note 14, assignment over the project account and debenture over fixed and floating charge.

The term loan 1 is fully repaid on 5 November 2024.

(c) Term loan 2

The term loan 2 is at 5.61% (2023: 5.61%) per annum. The loan is secured by three penthouse units located at Western Australia as disclosed in Note 15(c), freehold land as disclosed in Note 15(a) and corporate guarantee provided by the Company and a deed of subordination. In addition, the loan is secured by additional fixed deposit as disclosed in Note 24(b).

(d) Bridging loan

The Bridging loan is at effective cost of funds + 1.75% per annum.

The loan is secured by Legal Charge over the land held under Town Lease No. 017549665, Jalan Kapayan, Kota Kinabalu, Sabah measuring approximately 0.647 hectares (1.60 acres) and corporate guarantee provided by the Company. The facility was secured via the legal charge and assignment over the Finance Service Reserve Account ("FSRA").

28. Loans and borrowings (cont'd.)

(e) Revolving credit 2

Revolving credit is at cost of funds + 2% per annum. Five units (2023: five units) of terrace shop offices have been charged for the revolving credit facility 2 as disclosed in Note 14.

(f) Revolving credit 3

Revolving credit is at cost of funds + 1.25% per annum. Fifteen units (2023: fifteen units) of terrace shop offices have been charged for the revolving credit facility 3 as disclosed in Note 14 and assignment over the sales proceeds of the Housing Development Account. During the current year, the facility was secured via the legal charge and assignment over the FSRA.

(g) Hire purchase

During the year, a hire purchase of RM199,000 at an annual interest rate of 2.44% over five years was obtained for the purchase of a new motor vehicle, as disclosed in Note 13.

29. Other current liabilities

Current	Note	Group	
		2024 RM'000	2023 RM'000
Provision for Liquidated and Ascertained Damages	(a)	3,823	3,823

(a) Provision for Liquidated and Ascertained Damages

The provision is in respect of the estimated liquidated and ascertained damages payable arising from the property development projects undertaken by the Group.

At 1 January/31 December

3,823

3,823

The Group is involved in certain legal cases involving claims for compensation for the late delivery and the specific performance for the construction of certain public infrastructure relating to a completed property development project of the Group. No incremental provisions have been made in relation to these claims in the current and prior years, as the Group has assessed, in consultation with its legal advisors, that it is probable that the Group would be successful in defending these claims.

30. Financial guarantees

The Company has provided the following guarantees at the reporting date.

Corporate guarantees given to banks of RM8,225,000 (2023: RM9,258,000) for credit facilities granted to subsidiaries.

The management has assessed and concluded that there is no indication that the corporate guarantees would crystallise and no provision for expected credit loss has been provided on these guarantees as the borrowings are also secured over the inventories and other inventories of the subsidiaries. Consequently, the fair value of the corporate guarantees is assessed as nil.

31. Significant related party transactions

(a) Sales and purchases of goods and services

In addition to transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

		2024 RM'000	2023 RM'000
Group			
Interest charged on advances from immediate holding company (Note 7)		324	353
Company			
Management fees from subsidiaries (Note 4)	(i)	(7,800)	(3,840)
Rental payable to subsidiary (Note 8)	(ii)	145	243
Interest charged to subsidiaries		(129)	(156)
Coupon payable on Redeemable Convertible Secured Loan Stocks ("RCSLS") charged to subsidiary	(iii)	(2,598)	(2,587)

- (i) The rendering of services to subsidiaries have been entered into in the normal course of business and are repayable at negotiated terms.
- (ii) The rental payable to the subsidiary has been entered into in the normal course of business and is repayable at negotiated term.
- (iii) The coupon payable on RCSLS charged to MEDSB is in relation to the interest on RCSLS proceed advanced to MEDSB for its current projects.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 18 and 27.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

	Group 2024 RM'000	Company 2024 RM'000	Group 2023 RM'000	Company 2023 RM'000
Salaries and other emoluments	849	689	849	689
Contributions to defined contribution plans	117	96	117	96
Other staff related expenses	128	107	128	107
	<hr/> 1,094	<hr/> 892	<hr/> 1,094	<hr/> 892

32. Fair value measurements

Fair value hierarchy

The Group's and the Company's financial instruments are analysed in a three level fair value hierarchy based on the significance of inputs.

Level 1

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

Level 2

Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3

Input for the asset or liability that are not based on observable market data (unobservable input).

There is no transfer between Level 1, 2 and 3 during the financial year.

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2024				
Investment properties (Note 14):				
- Shopping mall	-	-	170,000	170,000
- Terrace shop office	-	-	127,690	127,690
- Car park units	-	-	7,800	7,800
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	141,451	-	141,451
	<hr/>	<hr/>	<hr/>	<hr/>
	-	141,451	305,490	446,941
At 31 December 2023				
Investment properties (Note 14):				
- Shopping mall	-	-	168,000	168,000
- Terrace shop office	-	-	127,530	127,530
- Car park units	-	-	7,800	7,800
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	138,145	-	138,145
	<hr/>	<hr/>	<hr/>	<hr/>
	-	138,145	303,330	441,475
Company				
At 31 December 2024				
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	2	-	2
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023				
Financial assets:				
- Investment securities carried at fair value through profit or loss (Note 21)	-	42	-	42
	<hr/>	<hr/>	<hr/>	<hr/>

32. Fair value measurements (cont'd.)

Description of valuation techniques used and key inputs to valuation on investment properties measured at level 3:

Property category	Valuation technique	Significant unobservable inputs	Range
At 31 December 2024			
Terrace shop office	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	2.5%-5%
Shopping mall	Investment method	Estimated rental rates Outgoings Allowance for void Reversionary yield rates Term yield rates	RM1.80 to RM8.50 psf RM1.80 psf 15% 4.8% 4.5%
Car park units	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	Adjusted range of RM15,242 – RM19,873 per bay
	Investment method	Estimated rental rates Outgoings Allowance for void Capitalisation rate	RM132 per bay/month 25% 10% 6.5%
At 31 December 2023			
Terrace shop office	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	2.5%-5%
Shopping mall	Investment method	Estimated rental rates Outgoings Allowance for void Reversionary yield rates Term yield rates	RM1.80 to RM8.50 psf RM1.80 psf 15% 4.8% 4.5%
Car park units	Market comparable approach	Difference in location, time factor, size, land usage, tenure and main road frontage	Adjusted range of RM15,242 – RM19,873 per bay
	Investment method	Estimated rental rates Outgoings Allowance for void Capitalisation rate	RM136 per bay/month 25% 10% 6.5%

32. Fair value measurements (cont'd.)

Terrace shop offices

In arriving at the market value, the valuer adopted the market comparison method. This method of valuation seeks to determine the value of the property being valued by comparing and adopting recent transactions and sale evidence involving other similar properties in the vicinity as a yardstick. Due considerations are given for such factors including location, plot size, land usage, tenure and proximity to the main road.

Shopping mall

The fair values were determined based on the capitalisation of net income method ("investment method") and is premised on the principle that the value of an income-producing property is represented by the "present worth of future rights to income, or utility". The values estimated under this method are derived by ascertaining the market rent of the properties ("estimated rental rates"), deducting all reasonable annual operating expenses ("outgoings") (as would be experienced under typical management) and then capitalising the resultant net operating income by an appropriate rate ("reversionary yield rates") of capitalisation to obtain the present value of the income stream. In undertaking their assessment of the value using this approach, the market rental income and expected future rental income are taken into consideration. In arriving at the net income, the outgoings i.e. quit rent, assessment, insurance coverage, repairs and maintenance and management, are deducted from gross rental income together with allowance for void ("allowance for void").

Car park units

In arriving at the market value, the valuer adopted comparison approach and income approach by investment method.

The comparison approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value.

Income approach by investment method involved capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.

Sensitivity analysis for fair value of the shopping mall

The following table demonstrates the sensitivity of the fair value and the impact to the profit and loss to the changes in estimated rental rate, outgoings, allowance for void, reversionary yield rate and term yield rate with all other variables held constant.

		2024 Increase/(decrease) loss net of tax RM'000	2023 Increase/(decrease) loss net of tax RM'000
Estimated rental rates	+ 10%	25,000	15,600
	- 10%	(26,000)	(15,600)
Outgoings	+ 10%	(9,000)	(8,500)
	- 10%	8,000	8,500
Allowance for void	+ 10%	(9,000)	(8,500)
	- 10%	8,000	8,500
Reversionary yield rates	+ 1%	(28,000)	(27,100)
	- 1%	38,000	38,600
Term yield rates	+ 1%	(500)	(100)
	- 1%	400	100

32. Fair value measurements (cont'd.)

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (non-current and current)	18
Other investments	21
Cash and cash equivalents	24
Trade and other payables (excluding provision) (non-current and current)	27
Loans and borrowings (non-current and current)	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

Amounts due from/to related parties, finance lease obligations and loans and borrowings

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed was to default.

Detail is as disclosed in Note 30.

Categories of financial instrument:

Group	Note	2024 RM'000	2023 RM'000
Financial assets			
At amortised costs:			
Trade and other receivables	18	391,717	494,955
Cash and cash equivalents	24	17,764	16,322
At fair value through profit or loss:			
Other investments	21	141,451	138,145

32. Fair value measurements (cont'd.)

Categories of financial instrument: (cont'd.)

Group (cont'd.)	Note	2024 RM'000	2023 RM'000
Financial liabilities			
At amortised costs:			
Trade and other payables (excluding provision)	27	115,421	106,860
Loans and borrowings	28	460,700	570,416
Company			
Financial assets			
At amortised costs:			
Trade and other receivables	18	79,955	80,408
Cash and cash equivalents	24	747	276
At fair value through profit or loss:			
Other investments	21	2	42
Financial liabilities			
At amortised costs:			
Trade and other payables (excluding provision)	27	62,123	55,403
Loans and borrowings	28	15,163	15,000

33. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks which are executed by the Risk Management Committee. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from sales made on deferred credit terms. For other financial assets (including cash and cash equivalents and short-term investment), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

All trade and other receivables and contract assets are subject to impairment review at the end of the reporting period. The collateral mitigates credit risk and would reduce the extent of impairment allowance for the assets subject to impairment review.

33. Financial risk management objectives and policies (cont'd.)

(a) Credit risk management (cont'd.)

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

The details of the financial guarantees provided by the Company to its subsidiaries and the assessment of the expected credit loss and fair values are disclosed in Note 30.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

Group	2024		2023	
	RM'000	% of total	RM'000	% of total
<u>By industry sectors</u>				
Concessionaire sector	361,645	94%	457,017	93%
Property development sector	19,658	5%	29,557	6%
Investment property *	2,091	1%	2,446	0%
Other sector *	399	0%	313	0%
	383,793	100%	489,333	100%

* Less than 1% of total receivables

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired as disclosed in Note 18. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(b) Liquidity risk management

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

33. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk management (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
At 31 December 2024				
Financial liabilities				
Trade and other payables (excluding provision)	88,014	300,007	-	388,021
Loans and borrowings	197,863	343,876	-	541,739
Lease liabilities	2,709	11,537	3,780	18,026
Total undiscounted financial liabilities	288,586	655,420	3,780	947,786
At 31 December 2023				
Financial liabilities				
Trade and other payables (excluding provision)	76,458	32,841	-	109,299
Loans and borrowings	214,273	482,019	-	696,292
Lease liabilities	2,614	11,206	6,840	20,660
Total undiscounted financial liabilities	293,345	526,066	6,840	826,251
Company				
At 31 December 2024				
Financial liabilities				
Trade and other payables (excluding provision)	62,123	-	-	62,123
Loans and borrowings	15,930	139	-	16,069
Lease liabilities	2,700	11,537	3,780	18,017
Total undiscounted financial liabilities	80,753	11,676	3,780	96,209
At 31 December 2023				
Financial liabilities				
Trade and other payables (excluding provision)	55,403	-	-	55,403
Loans and borrowings	15,859	-	-	15,859
Lease liabilities	2,510	11,198	6,840	20,548
Total undiscounted financial liabilities	73,772	11,198	6,840	91,810

33. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group adopts a policy of constantly monitoring movements in interest rates. Presently, it does not use derivative financial instruments to hedge its interest rate risk.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's loss net of tax would have been RM63,000 (2023: RM48,000) higher/lower, arising mainly as a result of lower/higher net of interest received from the floating rate other investment and deposit with loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group holds cash and cash equivalents and other investments denominated in foreign currency for working capital purposes. At the reporting date, such foreign currency balances (mainly in Australian Dollar ("AUD")) amounted to RM987,648 (2023: RM1,207,147) for the Group.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currency that match the future revenue stream to be generated from its investment.

The Group is also exposed to currency translation risk arising from its net investments in foreign operation in Australia. The Group's net investments in Australia is not hedged as it is considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax to a reasonably possible strengthening in the AUD exchange rates against the functional currency of the Group, with all other variables held constant.

	Group	
	2024	2023
	Increase/(decrease) profit net of tax RM'000	Increase/(decrease) loss net of tax RM'000
AUD/RM		
- strengthened 11% (2023: 5%)	181	(12)
- weakened 11% (2023: 5%)	(181)	12

There is no impact on the equity of the Group and the Company arising from a reasonably possible change in the exchange rate.

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the return of capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio to not more than 100%. The Group includes within net debt, loans and borrowings (excluding Sukuk), trade and other payables, lease liabilities less cash and cash equivalents, fixed deposits and investment securities. Capital includes equity attributable to the owners of the Company and non-controlling interest.

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loans and borrowings	28	460,700	570,416	15,163	15,000
Trade and other payables	27	115,752	107,129	62,263	55,501
Lease liabilities	19(b)	14,947	16,611	14,938	16,502
Less:					
Sukuk Murabahah	28	(401,358)	(494,171)	-	-
Other investments	21	(141,451)	(138,145)	(2)	(42)
Cash and cash equivalents	24	(17,764)	(16,322)	(747)	(276)
Net debt		<u>30,826</u>	<u>45,518</u>	<u>91,615</u>	<u>86,685</u>
Equity attributable to the owners of the Company		335,027	328,980	131,075	137,669
Non-controlling interests		<u>94,560</u>	<u>89,811</u>	-	-
Total capital		<u>429,587</u>	<u>418,791</u>	<u>131,075</u>	<u>137,669</u>
Capital and net debt		460,413	464,309	222,690	224,354
Gearing ratio		7%	10%	41%	39%

The Sukuk Murabahah has been excluded from the computation above as the Sukuk is secured over security as disclosed in Note 28(a) and the Sukuk do not have any financial recourse to the Group.

35. Segment information

For management purposes, the Group is organised into six main business units based on their products, and has six reportable operating segments as follows:

- (i) Investment holding and the provision of management services;
- (ii) Concessionaire;
- (iii) Construction;
- (iv) Property development;
- (v) Investment property; and
- (vi) Others - trading of building materials and provision of facilities management.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Income taxes are managed on a group basis and are not allocated to operating segments.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business.

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2024									
Revenue									
External customers	-	41,408	53,083	6,820	2,057	645	-		104,013
Inter-segment	12,071	-	-	1,213	34,079	-	(47,363)	A	-
Total revenue	12,071	41,408	53,083	8,033	36,136	645	(47,363)		104,013
Results:									
Interest income and distribution income	2,754	4,898	10,890	19	18	2	(13,036)		5,545
Interest expense	(2,162)	(44,372)	(6,999)	(10,253)	(146)	(20)	13,046		(50,906)
Depreciation and amortisation	(2,017)	(3)	(314)	(149)	(66)	(13)	70		(2,492)
Rental income	4	-	928	18	-	-	-		950
Other non-cash income	2	188	144	27	46	717	(678)	B	446
Fair value gain on investment property	-	-	-	-	-	-	-		2,160

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Notes	Adjustment and eliminations RM'000	Per consolidated financial statements RM'000
At 31 December 2024 (cont'd.)									
Results: (cont'd.)									
Inventories written back									
	-	-	1,815	-	-	-		1,815	
Land held for property development written down									
	-	-	(1,056)	-	-	-		(1,056)	
Segment (loss)/profit									
	(8,768)	1,094	4,848	(9,322)	(147)	269		15,463	
Assets:									
Additions to non-current assets	331	4	1,781	20	7	-		-	C
Segment assets	259,413	504,826	554,459	346,621	25,980	58,689	(712,278)	D	1,037,710
Segment liabilities	127,001	401,470	293,869	426,803	37,236	21,413	(69,552)	E	611,240

* Inclusive entities in facilities management, general trading and property investment.

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2023									
Revenue									
External customers	-	50,448	-	69,436	5,217	3,667	425	-	129,193
Inter-segment	5,925	-	-	-	1,060	8,314	-	(15,299)	A -
Total revenue	5,925	50,448		69,436	6,277	11,981	425	(15,299)	129,193
Results:									
Interest income and distribution income	2,799	4,777	10,920	7	5	6	(12,902)	5,612	
Interest expense	(2,249)	(52,387)	(7,278)	(10,158)	(20)	(23)	12,922	(59,193)	
Depreciation and amortisation	(1,961)	(3)	(248)	(206)	-	(95)	83	(2,430)	
Rental income	-	-	1,324	-	-	-	-	1,324	
Other non-cash income	4,526	156	172	50	8	-	(4,460)	B 452	
Fair value gain on investment property	-	-	-	-	-	-	-	-	3,800

35. Segment information (cont'd.)

	Investment holding and the provision of management services RM'000	Concessionaire RM'000	Property development RM'000	Investment property RM'000	Construction RM'000	Others * RM'000	Adjustment and eliminations RM'000	Notes	Per consolidated financial statements RM'000
At 31 December 2023 (cont'd.)									
Results: (cont'd.)									
Inventories written down	-	-	(360)	-	-	-	(360)		
Segment (loss)/profit	(20,173)	2,929	(15,677)	(10,825)	(1,252)	(2,827)	39,341		(8,484)
Assets:									
Additions to non-current assets	324	4	990	451	19	-	-	C	1,788
Segment assets	253,899	598,567	548,876	336,496	8,476	57,000	(672,604)	D	1,130,710
Segment liabilities	112,793	495,502	298,548	403,389	17,902	21,688	(637,903)	E	711,919

* Inclusive entities in facilities management, general trading and property investment.

35. Segment information (cont'd.)

- A Inter-segment revenues were eliminated on consolidation.
- B Other material non-cash income consist of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM'000	2023 RM'000
Other Income-purchasers related income		154	153
Other income		292	299
		446	452

- C Additions to non-current assets consist of:

	Note	2024 RM'000	2023 RM'000
Property, plant and equipment	13	411	1,244
Land held for property development	15(a)	1,732	544
		2,143	1,788

- D The following items were added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Note	2024 RM'000	2023 RM'000
Deferred tax assets	20	4,702	3,688
Tax recoverable		173	180
Inter-segment assets		(717,153)	(676,472)
		(712,278)	(672,604)

- E The following items were added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Note	2024 RM'000	2023 RM'000
Current tax payable		787	1,094
Deferred tax liabilities	20	4,183	4,791
Inter-segment liabilities		(701,522)	(645,788)
		(696,552)	(637,903)

35. Segment information (cont'd.)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	104,013	129,193	330,757	326,787
Australia	-	-	6,676	8,611
	<u>104,013</u>	<u>129,193</u>	<u>337,433</u>	<u>335,398</u>

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	Note	2024 RM'000	2023 RM'000
Property, plant and equipment	13	4,321	4,442
Intangible assets	17	311	112
Investment properties	14	305,490	303,330
Land held for property development	15(a)	<u>27,311</u>	<u>27,514</u>
		<u>337,433</u>	<u>335,398</u>

36. Comparative information

Certain comparative information has been reclassified to conform with the current year presentation.

LIST OF PROPERTIES

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Completed Investment Properties				
Warna Avenue	29 units terrace shop offices	18,124	136,460	2013
Strand Mall	4 storey retail podium including a basement car park and 4 levels of car park located above the retail podium	22,445	170,000	2013
Garden Office, Kota Damansara, Selangor Darul Ehsan on PN 96661, Lot 53635, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	516 units of car park bay (99 years lease expiring on 14/11/2107)	6,136	7,800	2021

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Inventories - Properties Held For Sale				
Garden Office, Kota Damansara, Selangor Darul Ehsan on PN 96661, Lot 53635, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	1 unit of office suites (99 years lease expiring on 14/11/2107)	96	299	2000
PN 83359 Lot 5427 & PN 83360 Lot 5428, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Residential properties (99 years lease expiring on 28/03/2104)	922	74	2000
PN 117612 Lot 53634, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan	30 units of residential apartment & 71 units of car park bay (99 years lease expiring on 14/11/2107)	5,048	25,428	2000
PN 82706 Lot 4775, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	1 unit of residential properties (99 years lease expiring on 30/03/2104)	178	582	2000
PN 82016 Lot 4149, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	1 unit of residential properties (99 years lease expiring on 22/03/2104)	292	539	2000
No Hakmilik 509608, Lot 194438, Mukim Pulai, Daerah Johor Bahru, Johor	13 units of residential apartment, 12 units of retail & 316 units of car park bay (freehold land)	6,980	20,925	2012
PN 82651 Lot 4714, PN 82663 Lot 4728, PN 83755 Lot 4739 & PN 82678 Lot 4750 Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	4 units of residential properties (99 years lease expiring on 28/03/2104 & 30/03/2104)	1,070	2,971	2000

PT 4202 - 4204, 4208 - 4209, 4212 - 4213, 4215, 4217, 4221 - 4224, 4226, 4227 - 4229, 4234, 4236, 4238 - 4239, 4241 - 4242, 4244, 4246, 4253 - 4254, 4256 - 4257, 4260 - 4261, 4267 - 4268, 4275 - 4276, 4279 - 4280, 4283, 4291, 4294, 4297 - 4298, 4302, 4305, 4311, 4318, 4320 - 4321, 4323 - 4324, 4326, 4334, 4338, 4342, 4351, 4355, 4357, 4359, 4363 - 4364, 4367 - 4368, 4372 - 4377, 4379 - 4380, 4382 - 4383, 4387 - 4392, 4399, 4401 - 4407, 4409, 4411 - 4418 and 4423 to 4439, Mukim Padang Siding, Daerah Perlis, Perlis	95 units of residential properties and 17 units of shoplot (99 years lease expiring on 21/06/2122)	8,609	10,465	2024
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LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Inventories - Properties Under Development & Land Held for Development				
PN 82833 - 82852 Lot 4902 - 4921, PN 82854 - 82925 Lot 4924 - 4995 & PN 82927 - 82946 Lot 4997 - 5016, Bandar Shah Alam, Daerah Petaling, Selangor Darul Ehsan	Residential properties under construction (99 years lease expiring on 31/03/2104)	22,989	30,609	2000
PT 4946 to 5248, Mukim Padang Siding, Daerah Perlis, Perlis	Land held for property development (99 years lease expiring on 21/06/2122)	46,934	300	2022
GRN 49511, Lot 4 Seksyen 43, Bandar Kuantan, Daerah Kuantan, Pahang	Freehold land held for property development	20,097	20,635	2022
Town Lease Lot No.017549665, Plan No.01126047, Bukit Kepayan, Daerah Kota Kinabalu, Sabah	Land held for property development (99 years lease expiring on 31/12/2097)	6,475	18,385	2022

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Oversea Inventories				
67 McCallum Lane, Victoria Park, Australia being Lots 26, 27 & 28 on Strata Title Plan 63339	3 units of residential apartment (freehold)	1,187	16,829	2010

LOCATION LAND	DESCRIPTION AND EXISTING USE	AREA (sq. m)	NET CARRYING AMOUNTS * AS AT 31.12.2024 (RM'000)	YEAR OF ACQUISITION
Inventories - Overseas Properties Under Development & Land Held for Development				
880 North Lake Road, Cockburn Central, Australia	Freehold land held for property development	11,000	6,676	2012

* The figures are based on the net carrying amounts recorded by the respective subsidiaries of the Group.

SHARE HOLDINGS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 7 APRIL 2025

Issued Share Capital : RM 399,016,243.65 comprising 316, 684,717 ordinary shares *
 Class of Shares : Ordinary shares
 Voting Rights : One (1) vote per ordinary share

* Including 386,000 shares bought and retained as treasury shares

Size of Holdings	No. of Shareholders	%	No. of Shares	% of Shareholdings
1 - 99	172	6.74	1,734	0.00
100 - 1,000	413	16.19	223,605	0.07
1,001 - 10,000	1,262	49.47	5,841,906	1.85
10,001 - 100,000	582	22.81	21,607,245	6.83
100,001 – less than 5% of issued shares	120	4.70	51,556,701	16.30
5% and above of issued shares	2	0.08	237,067,526	74.95
Total	2,551	100.00	316,298,717	100.00

INFORMATION OF SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Felda Investment Corporation Sdn. Bhd.	197,067,526	62.30	-	-
Federal Land Development Authority	-	-	197,067,526 ①	62.30
Anjakan Masyhur Sdn. Bhd.	40,000,000	12.65	-	-
Bukhary Sdn. Bhd.	-	-	40,000,000 ②	12.65

① Deemed interest through Felda Investment Corporation Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

② Deemed interest by virtue of their substantial shareholdings in Anjakan Masyhur Sdn. Bhd. pursuant for Section 8 of the Companies Act, 2016.

LIST OF DIRECTORS' SHAREHOLDINGS

Directors	Shareholdings			
	Direct No. of Shares	%	Indirect No. of Shares	%
Mohd Yusmadi Bin Mohd Yusoff	-	-	-	-
Datuk Haji Jaafar Bin Abu Bakar	-	-	-	-
Tuan Haji Lukman Bin Abu Bakar	-	-	-	-
Dato' Dr. Suzana Idayu Wati Binti Osman	-	-	-	-
Nor Azira Binti Abu Bakar	-	-	-	-

LIST OF 30 LARGEST SHAREHOLDERS

(as at 7 April 2025)

No.	Name	No. of Shares	%
1.	Felda Investment Corporation Sdn. Bhd.	197,067,526	62.30
2.	Anjakan Masyhur Sdn. Bhd.	40,000,000	12.65
3.	Kamaruzzaman Bin Abu Kassim	7,026,700	2.22
4.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Swee Heng (MM1118)	5,952,000	1.88
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kian Aik	1,516,900	0.48
6.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hii Sui Cheng (E-JCL)	1,371,800	0.43
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Khor Kim Hock (B B Klang- CL)	1,371,000	0.43
8.	Rosnah Binti Abd Majid	1,354,401	0.43
9.	Tan Chee Keong	1,320,000	0.42
10.	Mohamad Ridzuan Firdaus Maula Raja Aznin	1,274,300	0.40
11.	Ting Ding Ing	1,260,500	0.40
12.	Wee Huey Chin	1,200,000	0.38
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Pok Oi	1,060,800	0.34
14.	Abdul Aziz Bin Abdul Kadir	1,000,000	0.32

No.	Name	No. of Shares	%
15.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	1,000,000	0.32
16.	Ang Choon Leng	970,000	0.31
17.	Cheng Kok Sang	818,800	0.26
18.	Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund	774,000	0.24
19.	Low Lay Ping	768,100	0.24
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Stuart Saw Teik Siew	659,500	0.21
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. Rakuten Trade Sdn. Bhd. for Eow Dick Yen	550,000	0.17
22.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tian Wee Kong (Muar-CL)	521,000	0.16
23.	Boon Jit Fan	500,000	0.16
24.	Eng Kim Liang	500,000	0.16
25.	Lim Geok Eng Mary	468,500	0.15
26.	Lee Kek Fook	427,000	0.14
27.	Tan Chin Seng	412,000	0.13
28.	Olive Lim Swee Lian	410,000	0.13
29.	Lim Geok Eng Mary	360,000	0.11
30.	Tin Tong Joo	360,000	0.11
Total		272,274,827	86.08



Encorp Strand Residences, Kota Damansara

N O T I C E O F 25TH A N N U A L G E N E R A L M E E T I N G

NOTICE IS HEREBY GIVEN THAT the 25th Annual General Meeting ("AGM") of ENCORP BERHAD ("the Company") will be held at SPACEHUB, Lot S-31, Second Floor, Strand Mall, No.1, Jalan PJU 5/23, Pusat Perdagangan Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 June 2025 at 3.00 p.m. for the following purposes:

Agenda

As Ordinary Business

1	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.	(Please refer to Explanatory Note 1)
2	To approve the Directors' fees of up to RM750,000 from the conclusion of 25th AGM until the next AGM of the Company, to be payable on a quarterly basis in arrears.	(Ordinary Resolution 1)
3	To approve the payment of Directors' benefits of up to RM170,000 and up to RM85,000 for each Director being the medical benefits, from the conclusion of 25th AGM until the next AGM of the Company.	(Ordinary Resolution 2)
4	<p>To re-elect the following Directors who retire in accordance with Clause 99 of the Constitution of the Company:</p> <p>(i) Tuan Haji Lukman Bin Abu Bakar who retires by rotation in accordance with Clause 99 of the Constitution of the Company, has expressed his intention not to seek re-election.</p> <p>(ii) Datuk Haji Jaafar Bin Abu Bakar who retires by rotation in accordance with Clause 99 of the Constitution of the Company, has expressed his intention not to seek re-election.</p> <p>To re-elect the following Director who retires in accordance with Clause 106 of the Constitution of the Company:</p> <p>(i) Nor Azira Binti Abu Bakar</p>	(Ordinary Resolution 3)
5	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix the Auditors' remuneration.	(Ordinary Resolution 4)

As Special Business

To consider and, if thought fit, to pass the following resolution:

6	<p>Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2025.</p> <p>"THAT, subject always to the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries ("Encorp Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the Encorp Group with specified classes of related parties (as defined in the Listing Requirements of Bursa Securities and as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2025) which are necessary for the day-to-day operations in the ordinary course of business and are carried out at arms' length basis on normal commercial terms of the Encorp Group, on terms not more favourable to the related parties than those generally available to the public and are not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:</p>	
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- (a) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016, (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 5)

7

- To transact any other ordinary business of which due notice has been given in accordance with the Companies Act, 2016.

By Order of the Board

Siti Masitah Binti Ibrahim
LS 0010549
SSM PC No. 202408000444

Company Secretary

Selangor Darul Ehsan
30 April 2025

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak, and vote at this 25th AGM.
2. A proxy may but need not be a member of the Company.
3. If the appointer is a corporation, the form of proxy must be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
4. A member shall be entitled to appoint more than one (1) proxy subject always to a maximum of two (2) proxies to attend and vote at the same meeting provided that the provision of Section 294(2) of the Companies Act 2016 is complied with.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing of proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.
 - (a) By Hardcopy Form
The Form of Proxy or the Power of Attorney or other authority, if any, must be deposited at the office of the Company's Shares Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
 - (b) By Electronic Means
The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

Explanatory Notes:

1. Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1) (a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not put for voting.

2. The payment of Directors' fees of up to RM750,000 from the conclusion of the 25th AGM until the next AGM of the Company, to be payable on a quarterly basis in arrears. (Ordinary Resolution 1)

The payment of Directors' benefits of up to RM170,000 and up to RM85,000 for each Director being the medical benefits, from the conclusion of 25th AGM until the next AGM of the Company (Ordinary Resolution 2)

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the payments to the Directors of the Company as below:

- (a) Payment of Directors' fees of up to RM750,000.

(b) The details of the estimated total benefits payable to Non-Executive Chairman and Non-Executive Directors from the conclusion of the 25th AGM until the next AGM are as follows:

- (i) The estimated amount of Directors' benefits of up to RM170,000 is calculated based on the number of scheduled Board and Board Committee Meetings and other claimable benefits.
- (ii) The estimated amount of medical benefits is up to RM85,000 for each Director.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

3. Retirement by rotation in accordance with Clauses 99 and 106 of the Company's Constitution

Clause 99 of the Company's Constitution states that at each AGM one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third (1/3) with a minimum of one shall retire from office. In addition, each Director shall retire at least once in every three years but shall be eligible for re-election. Datuk Haji Jaafar Bin Abu Bakar and Tuan Haji Lukman Bin Abu Bakar, who retire in accordance with Clause 99 of the Constitution and are eligible for re-election.

Clause 106 of the Company's Constitution stipulates that a Director appointed by the Board shall hold office until the conclusion of the Company's next AGM and be eligible for re-election. Nor Azira Binti Abu Bakar who retires in accordance with Clause 106 of the Constitution and being eligible, for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at this 25th AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nominating and Remuneration Committee ("NRC") has reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board for the FY2024, save for Nor Azira Binti Abu Bakar who was newly appointed to the Board on 27 March 2025. The retiring Directors have also satisfied all the requirements as set out in the Fit and Proper Policy for Directors of the Company. The Board endorsed the recommendation of the NRC on the re-election of the retiring Directors. However, Datuk Haji Jaafar Bin Abu Bakar and Tuan Haji Lukman Bin Abu Bakar have expressed their intention not to seek re-election. Hence, they will retain office until the close of the 25th AGM.

4. Proposed Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature

The proposed Ordinary Resolution 5, if approved, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties by the Encorp Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 30 April 2025.

Statement accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Details of individuals who are standing for election as Directors

There are no individuals who are standing for election as directors (excluding directors standing for a re-election) at the 25th Annual General Meeting of the Company.

Further details of Directors standing for re-election as Directors are set out in their respective profiles which appear in the Directors' Profile of this Annual Report and the details of their interests in the securities of the Company are disclosed in the Statistics of Shareholdings of this Annual Report.



(Company No: 200001004231 (506836-X))

ADMINISTRATIVE GUIDE FOR THE 25th ANNUAL GENERAL MEETING

Date: Wednesday, 25 June 2025
Time: 3.00 p.m.
Venue: SPACEHUB Lot S-31, Second Floor, Strand Mall, No.1, Jalan PJU 5/23, Pusat Perdagangan Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

ENTITLEMENT TO PARTICIPATE AND VOTE

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 25th AGM.
- If you are unable to attend the meeting, you may appoint the Chairman of the 25th AGM as proxy and indicate the voting instructions in the Form of Proxy.
- If you wish to personally attend the 25th AGM, please do not submit any Form of Proxy. You will not be allowed to attend the 25th AGM together with a proxy appointed by you.
- The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise, the instrument of proxy should not be treated as valid.
 - By Hardcopy Form
The Form of Proxy or the Power of Attorney or other authority, if any, must be deposited at the office of the Company's Shares Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damansara, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
 - By Electronic Means
The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to eservices@sshsb.com.my.
- Corporate Shareholder or its authorised representative who wishes to attend and vote during the AGM required to provide the following documents to the Share Registrar:
 - original certificate of appointment of its Corporate Representative under the seal of the corporation; and
 - copy of the Corporate Representative's MyKad (front and back separately) or valid Passport.

REGISTRATION

- Registration will commence at 1.00 pm.
- Please send your original Identity Card ("IC") to the registration personnel for verification.
- No person will be allowed to register on behalf of another person even with the original IC of the other person.
- After the verification and registration, you will be given an identification wristband. If you are attending the meeting as a shareholder/proxy, you will be registered once and will be given only one identification wristband to enter the meeting hall. No person will be allowed to enter the meeting hall without wearing the identification wristband.

POLL VOTING

- The voting at the 25th AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company's Share Registrar, Securities Services (Holdings) Sdn Bhd is appointed as Poll Administrator to conduct the polling process and Commercial Quest Sdn Bhd will act as the Independent Scrutineer to verify the result of the poll.

ANNUAL REPORT 2024 AND CIRCULAR TO SHAREHOLDERS

- The Annual Report 2024 and Circular to Shareholders are available on the Company's website at www.encorp.com.my.
- Please note that printed copies of the Annual Report 2024 and Circular to Shareholders will be available only upon request. You may submit your request for a printed copy of the Annual Report and Circular by completing the enclosed Requisite Form and either send by post to Company's office address at No. 46-G, Jalan PJU 5/22, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor or email to pauline@encorp.com.my, the printed copy of the Annual Report and Circular will be despatched to you by ordinary post within four (4) market days from the date of receipt of your request. However, please consider the environment before you decide to request for the printed copy.

REFRESHMENT AND DOOR GIFT

- A refreshment will be provided.
- No door gifts or food vouchers will be distributed to members or proxies attending the 25th AGM.

RECORDING OR PHOTOGRAPHY

- Strictly NO unauthorised recording or photography of the proceedings of the 25th AGM.

ENQUIRY

- For enquiries prior to the AGM, please contact Company's Share Registrar during office hours on Monday to Friday from 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. (except public holidays):a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m. (except public holidays):

Share Registrar :	Securities Services (Holdings) Sdn. Bhd.	
Contact person :	Mr Wong Piang Yoong Puan Lily En Afiq Aiman General Line	+603 2084 9168 +603 2084 9163 +603 2084 9007 +603 2084 9000
Email address :	eservices@sshsb.com.my	



Enlightened
Corporation,
Makes
Enlightened Nation



ENCORP Employees

FORM OF PROXY

No. of Shares Held	
CDS Account No.	
Telephone No.	



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

*I/We _____
(Full name as per NRIC/Certificate of Incorporation in CAPITAL letters)

Company No./NRIC No. (new) _____ (old) _____

of _____
(Full Address)

_____ (Full Address)

being a member of ENCORP BERHAD, hereby appoint _____

NRIC No. (new) _____
(Full name as per NRIC in CAPITAL letters)

(old) _____ *and/or failing *him/her _____
(Full name as per NRIC in CAPITAL letters)

NRIC No. (new) _____ (old) _____

or failing *him/her, the Chairman of the Meeting as *my/our proxy(ies) to attend and vote for *me/us on *my/our behalf at the 25th Annual General Meeting ("AGM") of the Company to be held at SPACEHUB Lot S-31, Second Floor, Strand Mall, No.1, Jalan PJU 5/23, Pusat Perdagangan Kota Damansara, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 June 2025 at 3.00 p.m. and at any adjournment thereof.

*My/our proxy(ies) is/are to vote as indicated below:

(Please indicate with an "X" in the appropriate boxes how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.)

No.	Ordinary Resolutions	For	Against
1.	Approval of Directors' fees of up to RM750,000 from the conclusion of 25th AGM until the next AGM of the Company, to be payable on a quarterly basis in arrears.		
2.	Approval of Directors' benefits of up to RM170,000 and up to RM85,000 for each Director being the medical benefits, from the conclusion of 25th AGM until the next AGM of the Company.		
3.	Re-election of Nor Azira Binti Abu Bakar as Director.		
4.	Re-appointment of Messrs Ernst & Young PLT as Auditors and authority to the Directors to fix the Auditors' remuneration.		
5.	Approval of Proposed Shareholders' Mandate as specified in Section 2.3 of the Circular to Shareholders dated 30 April 2025.		

Dated this day of 2025

Signature(s)/Common Seal of Member(s)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

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5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing of proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under common seal or under the hand of an officer or attorney duly authorised.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows and must be deposited with the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. not less than forty-eight (48) hours before the time for holding this meeting or any adjournment thereof. Otherwise the instrument of proxy should not be treated as valid.
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 - (b) By Electronic Means
The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

(Fold here)

PLACE
STAMP
HERE

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

(Fold here)



ENCORP

ENCORP BERHAD
Company No: 200001004231
(506836-X)

No. 46-G Jalan PJU 5/22, Encorp Strand,
Pusat Perdagangan Kota Damansara,
Kota Damansara PJU 5, 47810 Petaling
Jaya, Selangor Darul Ehsan.

www.encorp.com.my



encorp bhd



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