

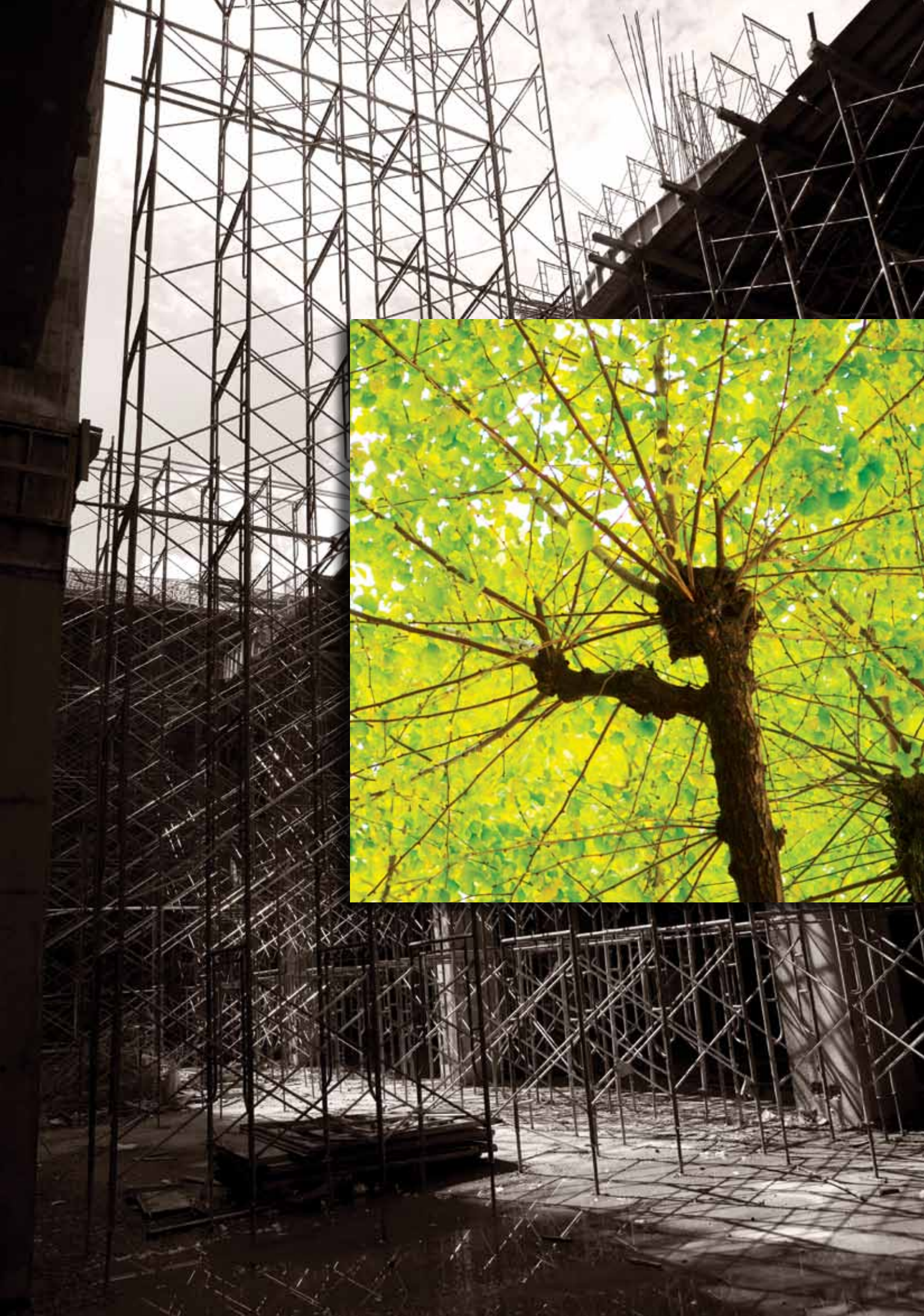


ENCORP BERHAD

ANYTHING BUT ORDINARY



sustainability report 2011



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**executive
chairman
and group
chief
executive
officer**



AT&T 1:19 PM
Encorp Strand, Kota Damansara





Executive Chairman and Group Chief Executive Officer Welcome

Welcome to Encorp Berhad's inaugural Sustainability Report. This report marks a major milestone in our journey towards becoming a leading company in our markets. For many years, we have sought to reduce our environmental footprint, improve our safety performance and contribute to the community. As this report sets out, we are taking these efforts to the next level to embed sustainability into all of our activities.

We want to operate in a way which supports 'sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. Our main operations revolve around building homes and commercial buildings in which people will live, work, play, shop and entertain for many years to come. We are committed to ensuring that Encorp properties are great long-term investments which meet both immediate and future demands.

Our vision is to ensure that our properties have the smallest possible environmental footprint in our use of materials. In the long term, we want to facilitate and help our customers reduce their energy, water and waste. Likewise, we want to make sure that the people working on our sites are safe from accidents and treated well and also make sure that those who live and work in our properties feel secure and happy.

This report is both an account of our recent performance and also the start of a more structured dialogue with our stakeholders. We understand that the expectations of our stakeholders are constantly evolving: Employees want more than a pay cheque — they want to be proud of their workplace; customers look for long-term investments and require quality and environmentally friendly features; investors look to companies for sustainable growth; and communities expect responsible neighbours.

If we want to meet these expectations, an open and in-depth engagement has to become a cornerstone in our business activities. We believe that being both responsible and responsive will help us evolve from 'Good to Great' and deliver truly exceptional value to all those involved in our business.

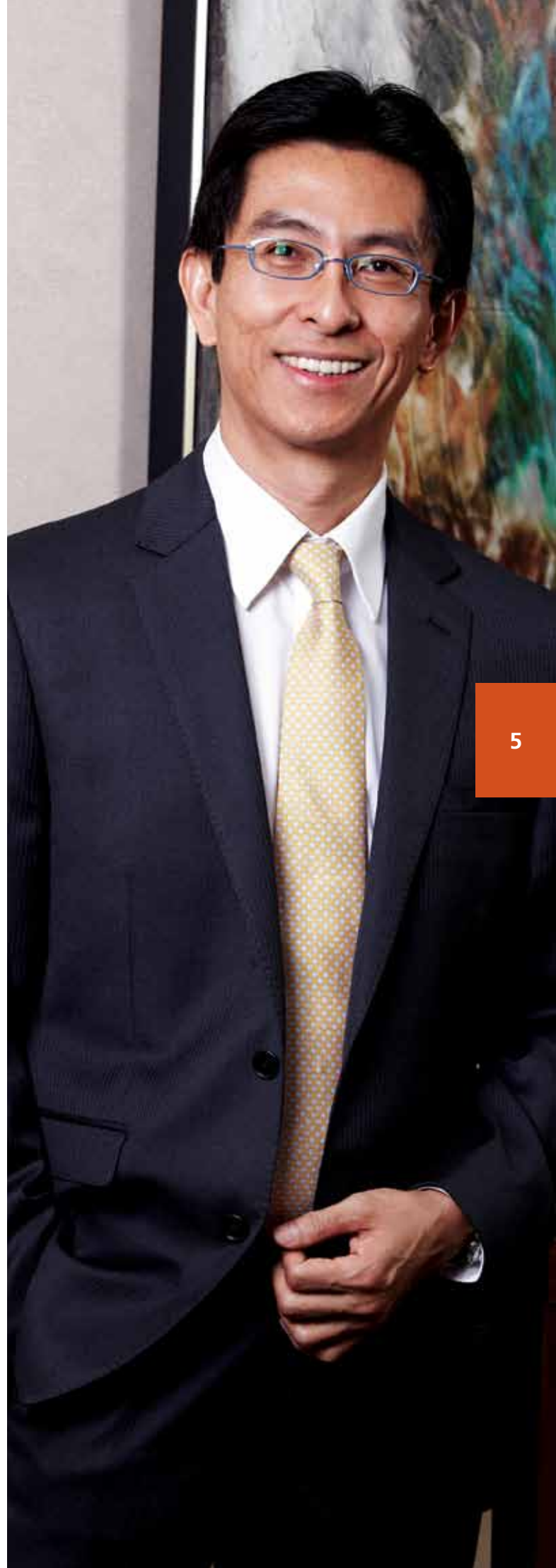
Our sustainability journey is about providing green habitats in harmony with the communities in which we operate, being a great employer and a transparent and accountable company. We believe that this is required to continue growing our business. We want to be anything but ordinary — not only good, but truly great.



YBhg Dato Sri Mohd Effendi bin Norwawi
Executive Chairman



Yeoh Soo Ann
Group Chief Executive Officer



encorp at a glance



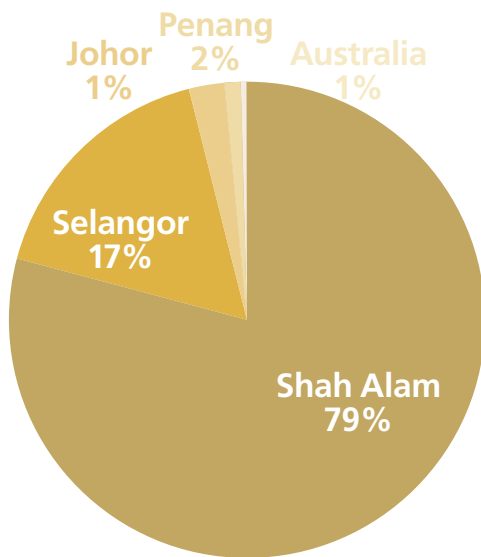
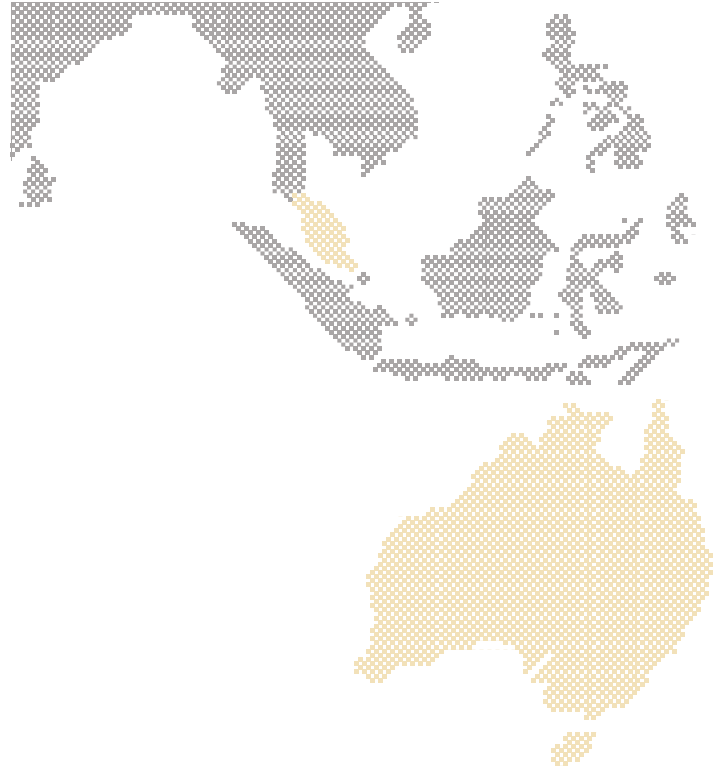
WOOD SIDING
WOOD SHEATHING

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|T1-11 P
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Encorp Berhad is a developer of land and builder of residential and commercial buildings. We have 153 employees, mostly based in our headquarters in Kota Damansara, Petaling Jaya, Malaysia. Encorp Berhad has been listed on the Bursa Malaysia Securities Berhad since 2003.

Our vision is to be an organisation of happy and highly motivated people who deliver unbeatable quality, standards, values and services in everything we do and who make a difference to our community. We want to reward success, promote lifelong learning and build strong relationships with our stakeholders.

Encorp Berhad comprises 15 subsidiary companies. Our core business is the development of commercial mixed development in Kota Damansara and a new township in Shah Alam. We have just begun a development in Australia, and our projects in Johor and Penang are in the final stages of planning to be ready for launch in 2012. Our land bank stands at 265 acres. We have 8.65 million gross floor area (GFA) under development, worth an estimated RM2.9 billion gross development value.



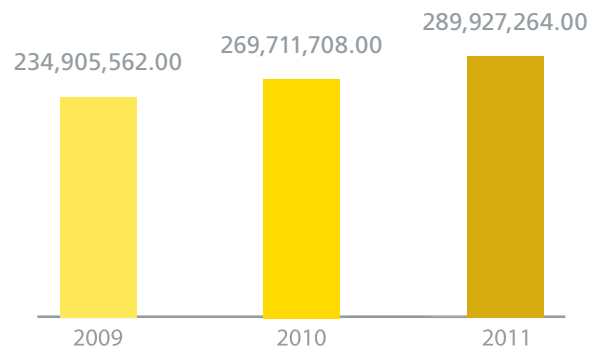
Location of Landbanks

Our construction division specialises in mass housing, high rise buildings, infrastructure works and Industrialised Building System (IBS). We also operate a construction materials trading division to tie in synergies to our construction activities.

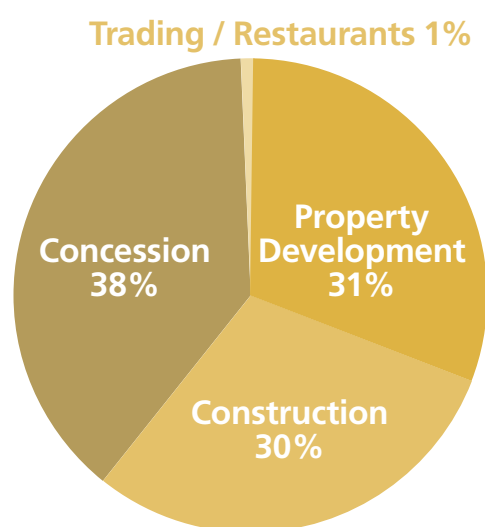
Our future expansion and diversification will focus on ventures related to our business. Last year, we launched three joint ventures in the food and beverage sector. This year, we will begin ventures into management of buildings and facilities.

In 2011, Encorp generated revenue of RM289.9 million through three balanced revenue streams. Our largest revenue is from a 30 year concession for the construction of 10,000 units of teacher's quarters that was completed in 2004. We have recorded average 11% growth in revenue over the last 3 years.

We have undertaken two significant capital raising exercise in preparation for our future expansion strategy. In 2011 we raised RM65.7 million from Rights Issue of Redeemable Convertible Secured Loan Stocks (RCSLS) exercise. In May 2012, we successfully undertook the issuance of Islamic securities with an aggregate nominal value of up to approximately RM1.575 billion.



Group Revenue



Contribution of Divisions to Revenue in 2011

	2011	2010
Revenue	289,927,264	269,711,708
EBITDA	125,535,537	122,706,603
Profit from operations	116,749,261	115,260,401
Profit before tax	12,099,091	13,651,656
Profit for the financial period	29,963,257	11,053,698
Total Equity	379,798,173	346,267,347
Total Assets	1,767,910,613	1,757,676,499
Total Borrowings ^{N1}	1,228,718,615	1,175,905,408
Financial Ratios		
EBITDA Margin	43%	45%
PBT Margin	4%	5%
PAT Margin	10%	4%
Interest Cover Ratio	1.1	1.1
Earnings per ordinary share (sen)		
– Basic	11.26	3.46
– Fully Diluted	10.10	–

N1 – Included in total borrowing is Al-Bai Bithaman Ajil (ABBA) Notes with carrying value of RM1,099,134,626 (2010: RM1,129,806,379) which were issued by a subsidiary company to finance the planning, design, construction and completion costs of 10,000 units of teachers' quarters for the Government of Malaysia. All ABBA Notes are secured by the assignment of the contract Concession Payments and the Project Escrow Account, and a negative pledge on all assets of the subsidiary company. The subsidiary company is a special purpose vehicle and these ABBA Notes raised do not have any financial implications to the Group.

Ownership and shares

Encorp Berhad has a paid up capital of RM223,508,536 million. The largest shareholder of Encorp is Lavista Sdn Bhd. Our Executive Chairman is deemed to have substantial interest through substantial shareholdings in Lavista Sdn Bhd.

Table 1: Based on Record of Depositors as at 19 April 2012

No.	Name	No. of Shares	%
1	Lavista Sdn Bhd	57,381,031	26.31
2	Anjakan Masyhur Sdn Bhd	40,000,000	18.34
3	UOBM Nominees (Tempatan) Sdn Bhd for Pegang Impian Holdings Sdn Bhd	22,900,000	10.50
4	Pegang Impian Holdings Sdn Bhd	13,852,000	6.35
5	UOBM Nominees (Tempatan) Sdn Bhd for Lavista Sdn Bhd	9,255,005	4.24
6	Pegang Impian Holdings Sdn Bhd	7,000,000	3.21
7	Robin Lo Bing	3,466,500	1.59
8	Merit Icon Sdn Bhd	2,959,500	1.36
9	Citigroup Nomines (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Libra)	2,924,600	1.34
10	Ng Yoke Yen	2,441,600	1.12

Notes:

Authorised Share Capital

RM500,000,000.00

Issued and Paid-up Share Capital

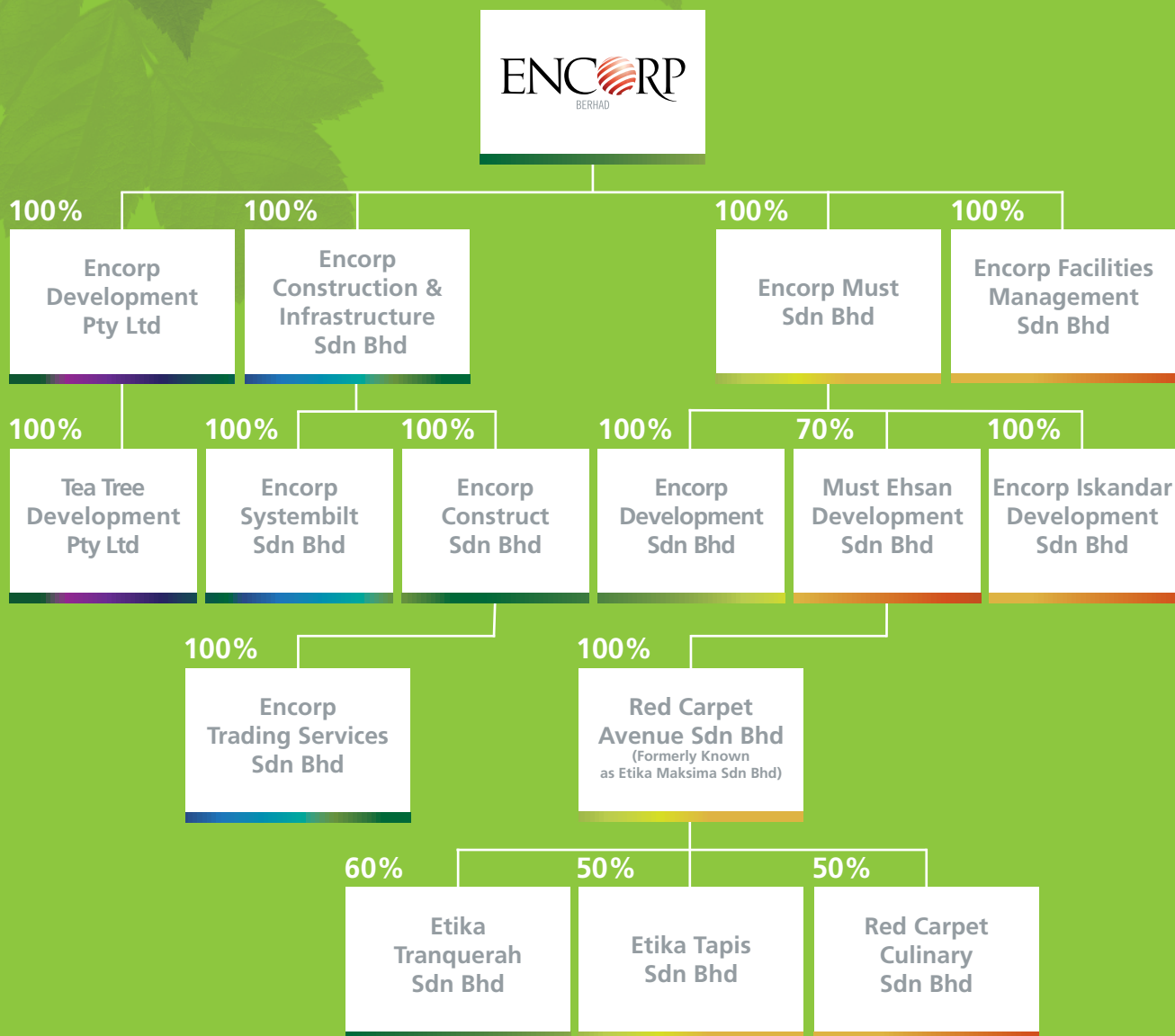
RM223,508,536.00*

* Includes 5,386,000 shares bought and retained as treasury shares.

Awards in 2011

Award Title	Award Category
Malaysia HR Awards 2011	Employer of Choice Award (Bronze)
Malaysia HR Awards 2011	HR Leader of the Year Award (Silver)
Asia Pacific Property Awards 2011	Highly Commended Award (Mixed-Used Development category for Malaysia)
StarBiz ICR Malaysia Awards 2010	One of 27 companies shortlisted under the category of Market Capitalisation Below RM1 Billion. (Awarded in 2010)

Corporate Structure



our projects



Our property development division is headed by Encorp Must Sdn Bhd. Through our subsidiary Must Ehsan Development Sdn Bhd, we hold a 70% share joint venture with *Perbadanan Kemajuan Negeri Selangor (PKNS)* or Selangor Development Corporation to develop two of our flagship projects, Encorp Cahaya Alam and Encorp Strand. Our development in Australia is undertaken by Encorp Development Pty Ltd. More than two third of our development is commercial in nature and only a quarter of our current development is completed.

Construction business segment is undertaken by our wholly-owned subsidiary Encorp Construct Sdn Bhd. With secured contracts valued at over RM554 million, Encorp Construct Sdn Bhd's reputation has grown based on its track record to secure and deliver projects. Encorp Trading Services Sdn Bhd was established in 2009 and serves as the procurement arm of Encorp Construct Sdn Bhd. This ensures better cost controls and efficient sourcing of building materials.

On-going Projects

Encorp Cahaya Alam

Encorp Cahaya Alam is a complete township development in the suburbs of Kuala Lumpur. Since 2007, we have handed over homes to 324 families. When completed in 2016, the 209 acre leasehold land will be transformed to a self-contained development of 2,414 linked and semi-detached homes. The development will feature a 1.8 acre linear park, two man-made lakes with park facility, schools, kindergartens, shops, a mosque and a multi-purpose hall.

Encorp Construct Sdn Bhd was awarded the contract to construct the Magnolia phase, consisting of 70 shop units at Encorp Cahaya Alam. The shop units are expected to be completed in 2012. Encorp Construct Sdn Bhd was also awarded a RM51 million contract in 2012 to construct 92 double and three storey semi detached houses in the Lotus phase of the development.

Encorp Strand

Encorp Strand is our mixed commercial development situated 12km northwest of Kuala Lumpur. Located in a fast thriving township of Kota Damansara, it has a population of over 500,000 living within a ten minute driving radius.

We handed over 285 Business Suites in late 2009. Complementing the Business Suites is the Red Carpet Avenue, an 800 ft long by 90 ft wide climate control boulevard for cafes. The event-ready venue is equipped with state-of-the-art sound system, specially designed lighting and fibre-optic cables.

The Garden Office is an intelligent combination of design and technology. Consisting of 14 blocks, two blocks

have been designed to attain Green Building Index (GBI) certification. Bubble lifts bring visitors to a 150 metre skywalk which links the sky gardens on all blocks. The Garden Office will be built and delivered at a QLASSIC 85 score. Construction commenced in 2010 and is scheduled to be completed in 2013.

The centre piece of Encorp Strand is the 35 storey 278 unit Residences above a 307,000 sq ft net rentable shopping mall. The Residences is estimated to be completed in 2015 with 58% of the units sold. Construction of our shopping mall is well underway following the completion of the sub-structure. The European-inspired mall will perfectly complement the outdoor experience of Red Carpet Avenue. Anchor tenants have already been secured and the shopping mall is expected to be open in 2013.

Encorp Construct Sdn Bhd was awarded a RM74.8 million contract for the construction of the Red Carpet Avenue and the Business Suites at Encorp Strand. Construction was completed on schedule in 2009. Encorp Construct Sdn Bhd was also awarded the contract to construct the Garden Office.

The Residences on McCallum Lane, Perth

Our first venture abroad is Perth, Australia. The low density apartments at the Residences are situated at the edge of Swan River, several minutes away from the Perth central business district. Designed in partnership with Schin Architects, the apartments take a contemporary form, with striking white boxes and a strong natural palette. A fully equipped gymnasium, private lap pool complements the 28 apartments. Construction is expected to commence in 2012 and targeted to be completed within 14 months.

Electrified Double Track Rail Project

Encorp Construct Sdn Bhd was awarded a RM130.8 million contract of the Electrified Double Track Rail Project by IRCON International Limited in 2008. The work is for five train stations along the Seremban – Gemas section of the railway line. The work includes the construction, commissioning of station buildings, associated structures and services of the stations. The project is targeted to be completed in 2013.

Upcoming Projects

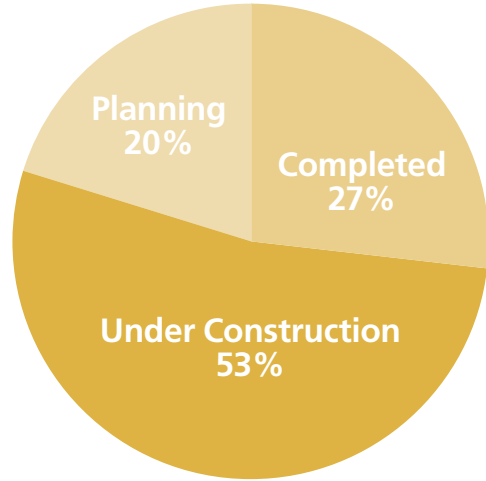
Encorp Marina Puteri Harbour

Encorp Marina Puteri Harbour is our venture into the development of luxury condominiums. Located on the waterfront precinct of Puteri Harbour at Nusajaya, the 2 blocks of 30 and 35 storey 514 apartments will be GBI certified. The Encorp Marina Puteri Harbour is expected to be launched in June 2012 and completed in 2016.

Nusajaya is a key driver of Iskandar Malaysia, an emerging economic zone in southern Johor. Designed to be Asia's foremost integrated city, Nusajaya is strategically situated in close proximity to Singapore across the Straits of Johor. Puteri Harbour is an integrated waterfront and marina development that spans 688 acres.

Batu Feringghi, Penang

Situated on a hill side overlooking the sea on the northern coast of Penang, is our high end Mediterranean style residential project. The 87 GBI certified homes with unobstructed views of the sea will be launched in the third quarter of 2012.



Status of Overall Development by GFA

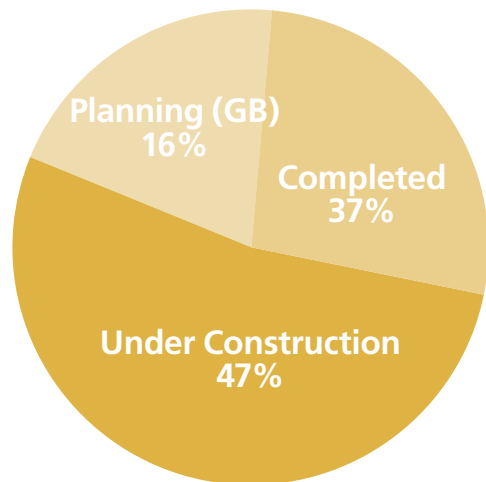
Completed Projects

National Teachers Housing Concession

In 1998, Encorp Systembilt Sdn Bhd was awarded the single largest Government privatised project using the IBS called Precast Building Technology. The RM1.5 billion contract was awarded on a 30-year concession to design, build, finance, and transfer the development of 10,000 units of teachers' housing on 109 sites across nine states in Malaysia. The entire project was completed in 2004.

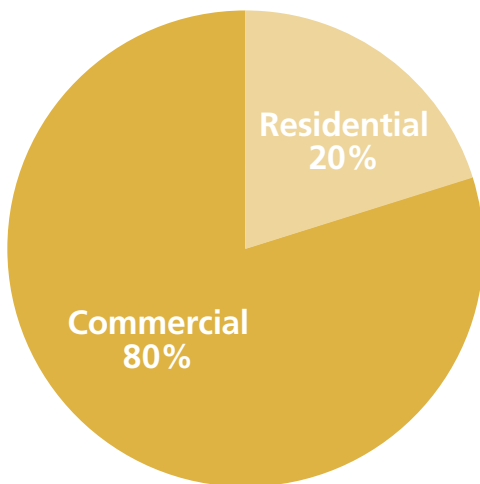
Sarawak Schools Project

Under the 9th Malaysia Plan (2006 – 2010), Encorp Construct Sdn Bhd was awarded a RM150 million contract by the Ministry of Education to construct and upgrade 11 schools in Kuching, Sri Aman and Bintulu division. Construction commenced in 2008 and completed on schedule in 2011.

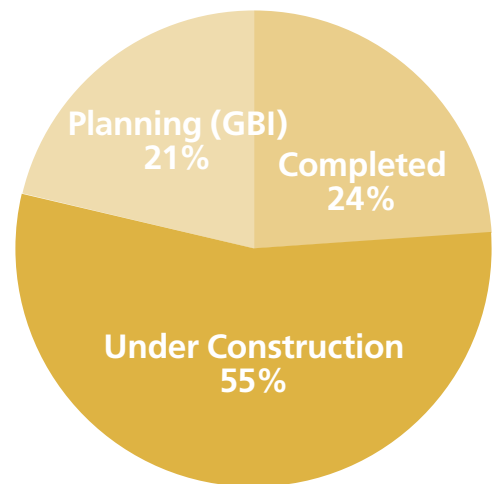


Status of Residential Development by GFA

15



Development Type by GFA

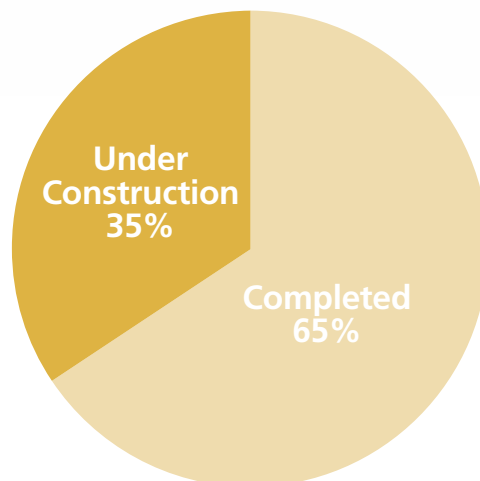


Status of Commercial Development by GFA



Our Construction Credentials

- _ Pusat Khidmat Kontraktor Kelas A
- _ Pusat Khidmat Kontraktor Taraf Bumiputra Kelas A
- _ Construction Industry Development Board G7 construction company. This entitles us to participate in all levels of tenders
- _ Construction Industry Development Board 4 Star construction company. The 4 star rating is based on seven criteria which assessed our performance, financial ability, technical capabilities, project management, revenue management, best practices incorporated and management capabilities
- _ QLASSIC competent contractor
- _ OSHMS MS 1722:Part 1:2005
- _ OHSAS 18001:2007
- _ EMS ISO 14001:2004
- _ ISO 9001:2008



Status of Construction by Total Contract Value



our marketplace



Situated in the centre of South East Asia, Encorp is strategically located to reap the construction and property boom emerging from countries around the region. The economies of Southeast Asia block of nations grew 9.3% in 2010. Southeast Asia's economy is immense and vibrant with a nominal gross domestic product comparable to India, despite having a population about half the size.

The construction sector in South East Asia remains strong. Malaysian construction sector is estimated to record a gross domestic product increase of 8.2% in 2012 compared to the 3.5% registered last year. The Government's physical development expenditure under the 10th Malaysia Plan and Economic Transformation Programme stimulus programmes on civil engineering and infrastructure projects will largely drive this growth.

In the last five years, prices of property in Asia have registered huge gains. According to research that ranked countries according to highest average growth in housing prices from the fourth quarter of 2006 to the same period in 2011, five countries in Asia make up the top 10 world's hottest property markets. Kuala Lumpur and Singapore were ranked 9th and 4th respectively. These upward trends in the region have sparked fears of an asset bubble and concerns over the impact of high household debt.

Malaysia's property prices have seen a five year growth of 28.5%. Property prices in urban areas such as Penang and Kuala Lumpur have risen by up to 40%. The average price of a residential property in Kuala Lumpur is RM485,000 or roughly nine times the average urban household annual income of RM54,000.

A combination of factors like high liquidity, low interest rates, increase in land price and construction materials as well as speculative buying is pushing up property prices across Malaysia. Prices of cement and steel bars rose to 48% and 35% respectively from between January 2007 and May 2011.

Countries in Asia are trying to rein in speculations. Malaysia reinstated the Real Estate Property Gains Tax at 10% for the first two years and 5% for properties sold within three to five years of acquisition, with some level of exemption. National banks in the region have instituted tighter lending policies by capping loan-to-value ratio at 60% – 70% for second and subsequent homes. Some countries have sought to increase stamp duties and set limits to foreign ownership or acquisition of properties.

Across the region, the challenge for governments is to provide enough affordable housing. Under the 10th Malaysian Plan 2011 – 2015, an estimated 78,000 units of new affordable public housing will be constructed for household income levels of less than RM2,500 per month. A 700 sq foot urban low cost housing is subsidised between 30% – 75% and cost RM42,000 to purchase. The government initiated My First Home Scheme designed for single adults and households earning no more than RM3,000 intending to purchase houses up to RM220,000 over a 30 year repayment period.

The environmental impact of buildings is an emerging issue in Asia as more countries begin to launch green building initiatives. In September 2011, Malaysia embarked on a pilot of the nation's low-carbon city framework in five cities. The framework will focus on developing low-carbon solutions and practices in urban environment, transportation, infrastructures and buildings. Singapore has set a target for 80% of its building to be green by 2030 through retrofitting of existing buildings.



corporate governance



Our Board of Director is the highest governing body at Encorp, and has the overall responsibility in leading and determining the Group’s strategic direction. It provides an effective oversight of the conduct of the Group’s businesses, ensuring appropriate control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity. The Board is guided by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance.

The Executive Chairman of the Board and Group Chief Executive Officer of Encorp are helmed by different individuals to ensure there is a clear segregation of duties. Our Executive Chairman, Dato Sri Mohd Effendi bin Norwawi is responsible for the effective running of the Board. The Group Chief Executive Officer, Yeoh Soo Ann, was appointed in 2011. He reports, communicates and recommends key strategies and operational proposals to the Board and implements policies and decisions as approved by the Board. A Senior Independent Non-Executive Director has been appointed to address and represent any concerns shareholders and stakeholders may have.

The Board is supported by three committees – audit, remuneration and nomination. All the Audit Committee members are non-executive directors, with a majority of them being independent directors.

The Remuneration and Nomination Committee members comprise mainly independent non-executive directors.

Board Training and Effectiveness

The Nomination committee is charged with overseeing the effectiveness of the Board. This includes a review of the size, composition, skills required, compliance with the Company’s Code of Conduct and other policies, discuss any conflicts of interest, and develop a continuous education programme for Directors. In 2011, the Board’s annual training programme included areas of sustainability, review of accounting standards, risk managements and internal controls.

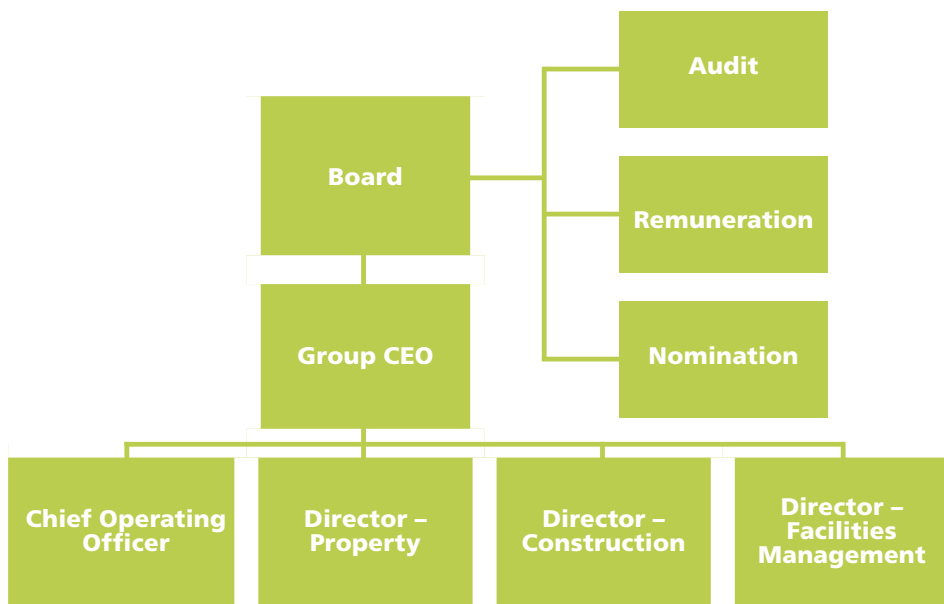
In addition, the Nomination Committee conducts an annual Board’s Effectiveness Evaluation via questionnaires, which comprise Board’s effectiveness and competencies.

Board Diversity and Composition

Our Board comprises of eight members who are all Malaysians. There are four Independent Non-Executive Directors. There is one woman on the Board. The Executive Chairman and Group Chief Executive Officer are Non-Independent Executive Directors. All Directors have extensive Board experience, combining an impressive array of legal, financial, public affairs skills with extensive experience in property and construction industries.

Management Structure and Remuneration

The Board is assisted in its duties by a strong senior management team, led by the Group Chief Executive Officer. Each of the Directors has distinct responsibilities, both for commercial and performance issues, as well as relevant aspects of the Encorp’s sustainability strategy. Remuneration and objectives are linked both to overall company performance, as well as individual performance and compliance with the company’s triple bottom line policies and strategies.



Encorp Berhad Governance Structure

Encorp Sustainability Roadmap 2012 – 2016

The Encorp Sustainability Roadmap was developed in 2011–12, and is part of our journey towards excellence. Our sustainability roadmap demonstrates in a clear way how we will address our impacts on our marketplace, our employees, on the environment, and the communities we build in.

Our sustainability roadmap was developed through a process of gap analyses, benchmarking with international peers, and stakeholder engagement to understand their expectations. A management workshop was conducted to identify material issues in relation to our business and our stakeholders.

Whilst our ambition is to take leadership in our sector, we wish to focus on areas in which our size and capacity enable us to be an inspiration to others. In each of the four focus areas of our sustainability roadmap, we have identified and will develop programmes or data verification to demonstrate leadership in the following areas :

- _ Waste Reduction
- _ Zero Accidents
- _ Customer Engagement and Satisfaction
- _ Strategic Community Investment

A Sustainability Committee monitors the implementation of the roadmap to ensure it is coherent, challenging and at the forefront of the sector. The

Building Green Habitats <ul style="list-style-type: none"> _ Waste _ Water _ Carbon Reduction _ Biodiversity 	Happy & Safe Workplace <ul style="list-style-type: none"> _ Zero accidents _ Reduce turnover _ Decent work for all _ Women
Responsive & Accountable <ul style="list-style-type: none"> _ Customer engagement & satisfaction _ Anti-bribery framework _ Reporting and communication 	Building in harmony <ul style="list-style-type: none"> _ Investment in communities _ Engagement with communities

Encorp Sustainability Roadmap

The roadmap addresses 13 material issues in four focus areas. For each issue, key milestones and key performance indicators (KPIs) are identified along with departmental responsibility, policy gaps and resources needed to support implementation. KPIs will be reviewed half yearly to ensure we are on track. Targets will be reviewed and revised on a continuous basis.

Committee is led by the company secretary who reports directly to the Group Chief Executive Officer. Every senior management and head of department is responsible for aspects of sustainability relevant to their operations. Our sustainability efforts are reported to the Board each quarter.



our stakeholders





Stakeholders are groups which has impact on or are impacted by our business. We have identified our key stakeholders and outlined current key topics. As we further embed sustainability into our operations, we will develop structured engagement with our stakeholders through regular dialogue, structured engagement and surveys. This will allow us to have a better understanding of our impacts and the expectations of these diverse groups of stakeholders.

Stakeholders	Methods of Engagement	Issues
Government	Compliance with relevant laws and regulations, formal meetings, briefings	<ul style="list-style-type: none"> – Legislations affecting construction and property development – Partnerships in development – Promoting sustainable construction
Shareholder and investors	Annual General Meeting, Extraordinary General Meeting, feedback via website, briefing of investors, quarterly announcement of financial results	<ul style="list-style-type: none"> – Profits and dividends – Responsible business
Customers	Customer surveys, feedback management, market research	<ul style="list-style-type: none"> – Understanding and incorporating needs into designs – Quality of buildings – Customer service
Employees	Employee engagement survey, performance appraisal, training and development	<ul style="list-style-type: none"> – Health and safety – Training and development – Level of engagement & satisfaction – Gender inclusivity
Local communities	Community donations, engagement with local NGOs	<ul style="list-style-type: none"> – Community funding and support – Education
Contractors and suppliers	Procurement management, training, communication on voluntary standards	<ul style="list-style-type: none"> – Health and safety – Compliance with decent labour standards – Green materials – Quality standards
Media and public	Media engagement including briefings, interviews, updates and briefings	<ul style="list-style-type: none"> – All of the above



anything
but
ordinary





We aim to be one of the top 10 property developers in Malaysia within three years. We will focus on delivering buildings of highest quality and standards, outstanding customer service and value creation for our customers. We are committed and guided by the standards set under the Quality Assessment System in Construction (QLASSIC) for our buildings and a desire to provide a service that is **Anything but Ordinary**.

Embedding Quality

We are committed to ensuring the highest quality of our homes and commercial buildings. We work with our contractors to identify and rectify non-compliance in our construction. Our contractors are bound in their contracts to deliver our new developments at QLASSIC 85 score.

Each of our on-going development has a Project Quality Assurance and Quality Control process. Our QLASSIC trained assessors carry out a detailed work and test plans at all stages of construction. An

internal assessment of the completed school projects in Sarawak benchmarked our scores at QLASSIC 70. An assessment of our Camellia 2 homes received a QLASSIC 82 points.

The Encorp Experience

Our interaction with our customers begins from the first time we pick up a call or when they walk into our show room. In 2011, we implemented our Customer Relationship Management (CRM) Strategy to ensure unique and delightful customer experience. Chaired by our Group Chief Executive Officer, a CRM steering committee was established comprising heads of divisions and representative. A CRM unit was established to set standards and conduct measurement of customer service in terms of responsiveness and customer satisfaction.

We undertook a benchmark and review of our processes. All points of contact with customers in Encorp were mapped out. Standard operating procedures were developed so that customer's needs can be addressed professionally and promptly.

Customer Service

Following our customer service training for all employees, we have seen an improvement in our customer service scores based on customer survey. Beginning from 2012, all employees will have customer service related KPIs. We will be building a new show house to enhance customer experience of all our development. Our commitment to our customers is that we will respond to their query within 24 hours. We were able to rectify 60% of defects within 14 days of a report.

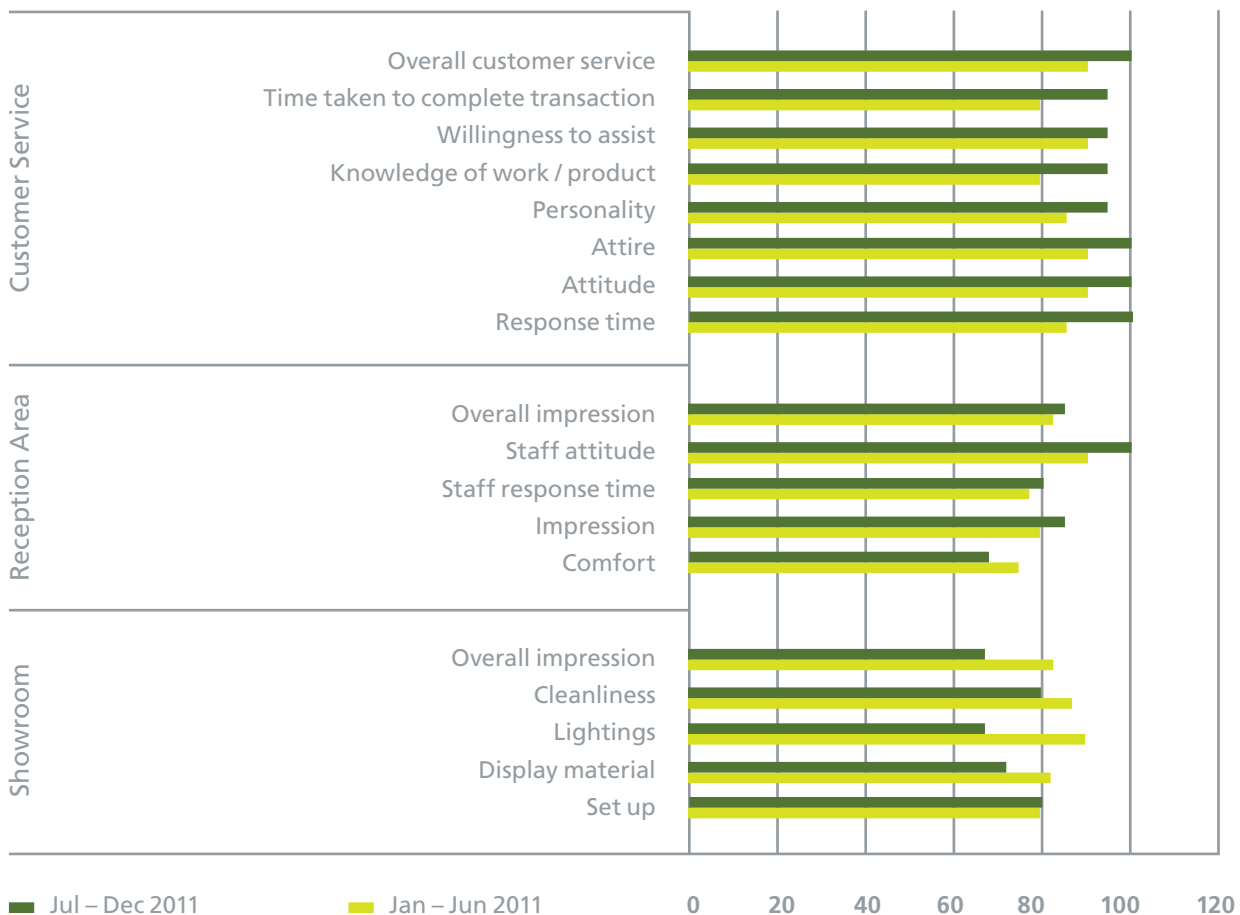
Understanding Our Customers

We have formed an internal focus group to help us better understand the needs and wishes of our customers. Through customer feedback and engagements, the focus group will help us design, construct and deliver to the market buildings that are innovative and meet our customers' expectations. An example is the high level of fear of being a victim of crime among our customers. Our Residences service apartments will be equipped with a three tier security system, guest screening and panic button. Future developments will incorporate crime prevention through environment design.

A Guide to QLASSIC

The Quality Assessment System in Construction (QLASSIC) is a Malaysian standard to measure and evaluate the quality of workmanship in construction. Established in 2006, QLASSIC enables the quality of workmanship between construction projects to be objectively compared through a scoring system. This includes all the finishes such as doors, fitting, and windows, built in furniture, carpets, sanitary ware, external wall, landscapes and roofs. The industry average score of QLASSIC assessed property in Malaysia is currently between QLASSIC 65 points – 75 points.

The QLASSIC assessment is divided into four components: structural, architectural, mechanical and engineering and external works. Weightage is allocated to each of the four areas, taking into consideration the distribution between the cost proportions of the four components, category of building and their aesthetic considerations. The total quality score of a building project is the sum of points awarded to the four components in each category of a building.



Percentage of Customer Service Experience Rated Excellent and Good

Promoting Sustainable Buildings

Our effort to promote green buildings is limited by market forces. As up to 40% of the cost of electricity and water is subsidised in Malaysia, there is little debate or understanding of the real cost of energy and water resources. Green buildings can cost up to 10% – 15% more to construct. Subsidies have kept prices of resources low and hence provide little incentives for developers to invest in more energy efficient homes.

We are registered with the Green Building Association to keep ourselves abreast on innovations of green building trends and technology. This year we conducted in house training and awareness programmes on green products by manufacturers and communicated our commitment to using more green materials to our suppliers. We participated in the Malaysia Industrialised Building System International Exhibition in April

themed 'IBS Integration for Green Technology' as part of our commitment to meet the growing demands for high-quality and affordable green housing. The IBS also reduces our reliance on foreign workers and improves quality control of our projects.

We supported the Public Private Partnership (PPP) Workshop Series 2 'Bankable and Sustainable PPP Projects: Stakeholders' Meeting of Minds' which sought to address key aspects affecting the bankability of projects. We also organised a 'Dialogue on the Transformation of Vocational Education' aimed at developing a technical and vocational curriculum that meets the needs of industry players.

Tax incentives are already in place for building developers and buyers to offset the additional cost of achieving GBI certification. We are seeking the support of the government to promote green buildings through the reduction of import duties for green building materials in order to encourage more use in construction.

Material	Unit	Unit Price (RM)	Green Alternative	Unit Price (RM)	Difference
Ready Mixed Concrete	m ³	180	Green Cement	207	15%
Plywood (18mm thk)	pcs	85	Attomo	250	194%
Paint (Local Brand)	litre	25	AFM Paint	125	400%
Fluorescent Light	set	25	LED Light	250	900%
Plaster Ceiling	sq ft	1.30	Victory Plaster	2.50	92%

Prices of Construction Materials Against Green Alternatives as At 31 March 2012

5-year Roadmap Towards 'Anything but Ordinary'

Customer Engagement & Satisfaction

- Engagement and understanding of customer's needs in future designs
- Incorporating sustainability initiatives into customer relationship management
- Ensure delivery of buildings with the highest industry standards on quality

Anti-bribery

- A robust, documented and embedded anti bribery framework

Reporting

- Progressively engaged annual sustainability report incorporating stakeholder views in accordance to Global Reporting Initiative



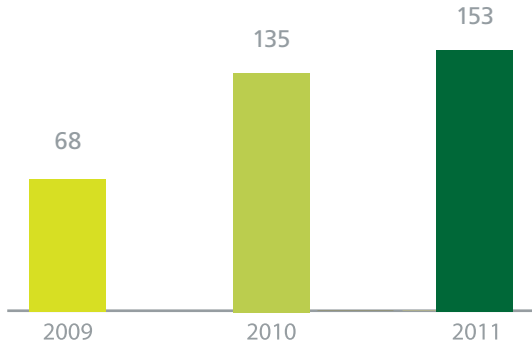
happy
and
safe
workplace



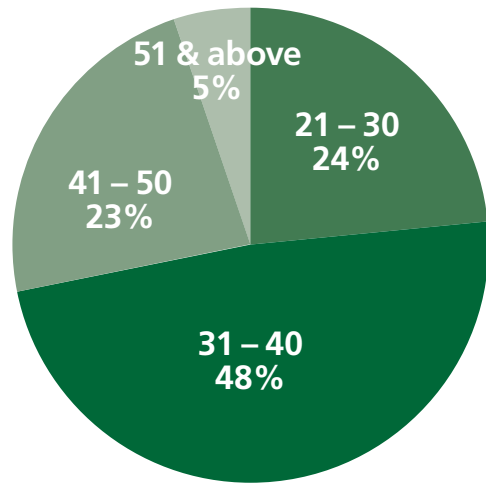
Encorp

BCSB

We always strive to be an employer of choice. Our vision is to create a happy, supportive and safe work environment. We are an employer who believes in providing equal opportunities to all employees regardless their age, gender and race. The values of building relationships, being ethical, lifelong learning and rewarding success is important in the way we manage our employees. The safety of our employees and that of our contractors are paramount to us and managed under ISO18001:2007.

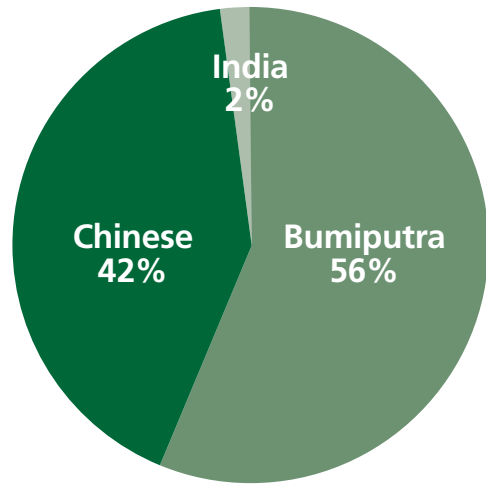


Employees as at 31 Dec 2011



Employees by Age

Our industry is traditionally male dominated. This is reflected in Encorp as men account for 61% of our employees. We have a young work force, with 78% under the age of 40.



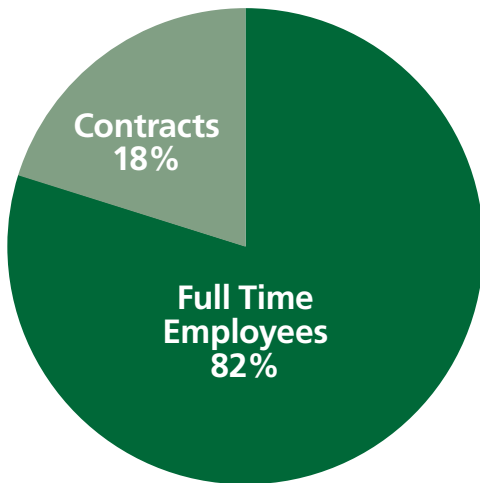
Employees by Race

construction sites in Malaysia were the most dangerous places to work, with the highest number of fatalities and permanent disabilities according to the Department of Safety and Health. We therefore wish to maintain our focus in this area, to ensure that our employees and contractors return home safely at the end of the working day. We have a proactive and comprehensive health and safety plan in place under the leadership of Encorp Construct Sdn Bhd. In January 2011, we began documentation of our health and safety processes and obtained ISO18001:2007 and MS 1722: Part 1:2005 certification in November 2011.

Health and safety statistics are reviewed at Board-level, and we have an established health and safety committee consisting of both management and employees. The committee meets quarterly to discuss and implement plans relating to health and safety issues. The project manager of the construction site is ultimately responsible for health and safety on each site. Each construction sites has a health and safety committee that meets monthly.

Our Employees

38 In just over two years, we have doubled the number of our employees. Today we have 153 employees working across Encorp. Full time employees accounts for 82% of our employees with the remaining on contract. Our construction division is our largest division with a head count of 52 employees.



Employees as at 31 Dec 2011

A Safe Work Place

We know that our most important priority is to provide all our employees with a safe working environment, and we have invested significantly in this – achieving a record of zero accidents, incidents and fatalities in 2011. We operate in an environment with high risk. In 2011,

Each project site conducts a weekly toolbox briefing with site supervisors on risk and control measures. Site supervisors and subcontractors are responsible for identifying areas for improvement. A monthly toolbox briefing is held to brief all workers to ensure that everyone on the site is kept informed.

Weekly and monthly inspections are conducted to identify preventive and precautionary measures. We enforce a monetary penalty system for our contractors and subcontractors. We have documented that the most common violations of health and safety rules and regulations are that labourers fail to wear personal protection equipment and contractors fail to attend the tool box briefings.

Vector-Bourne Disease Prevention

At our construction site, we face the challenge of ensuring that our sites are free from vector-bourne disease, especially the breeding of mosquitoes. Weekly larvae checks and monthly fogging of mosquitoes is conducted.

Engaging Our Employees

Rewarding Success

We recognise the achievement of our employees with monthly awards. We also recognise and provide monetary rewards to the children of employees who have done well in public exams. In addition, the top 10% performing employees are invited to be on the High Potential Talent (HPT). The HPT assists with the short listing of initiatives proposed by employees on the New Way of Working (WOW) Wall and receive due recognition and monetary rewards for their contributions. We will form a HPT for promising employees to recognise their potentials at Encorp.

Lifelong Learning

We offer a competency based learning model for all employees. The 84 modules offered at Encorp address the different learning needs of all our employees. Career ladder improvement basics for our non executives to professional development stream for executives, managers and general managers. In 2011, we averaged 39 hours of training per employee. Our target is to ensure each employee receives 40 hours of training per year. We currently support five employees in their pursuit of a MBA at Malaysian University of Science and Technology.

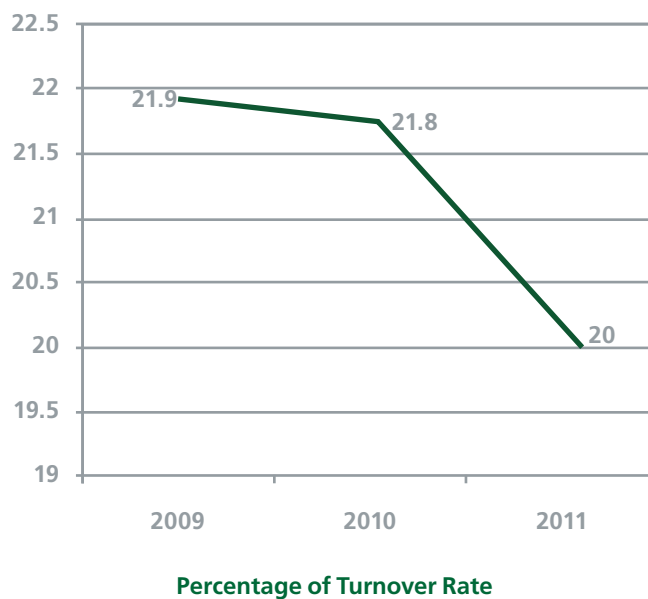
Building Relationships

We offer benefits that are competitive in the industry. We provide an office gym to promote healthy lifestyle. Our quarterly town hall meeting is an opportunity for our Executive Chairman to engage

with our employees on the direction of the company. In 2011 we organised three team building sessions for all employees to promote relationships between different divisions. Spread over two days, each team building programme was focused on building customer relationship management skills.

Reduce Turnover

Our turnover rate of our full time employees has averaged 21% over the past three years across our workforce, with a declining trend.

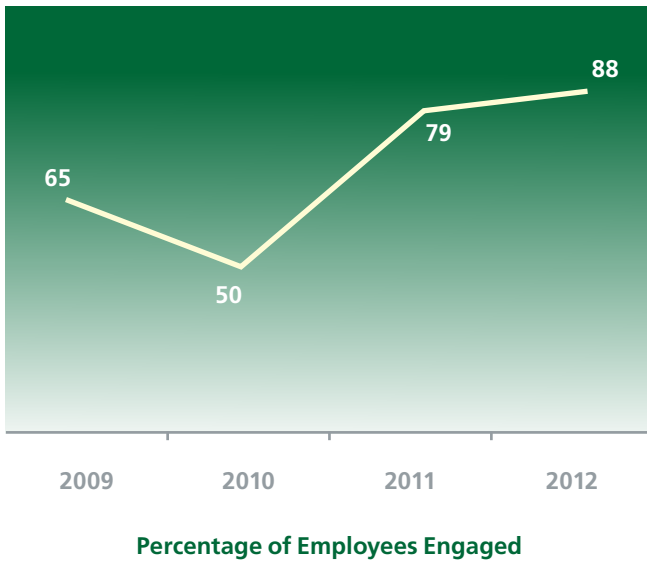


In 2011, of the employees who left Encorp, 88% sought to pursue career advancement and better opportunities. We have conducted an internal review to enhance internal opportunities. All positions are now advertised internally before it is opened to external parties. We have been able to promote 15 individuals internally in 2011 compared to six in 2010. Each job function is mapped out with a career path to ensure all employees have an opportunity to progress within Encorp.

Employee Engagement

In 2010, an Employee Engagement survey conducted by Aon Hewitt identified a relatively low level of engagement among our staff. We have since conducted two internal surveys in June and December 2011 and the results have shown a dramatically increased level of engagement.

This change in engagement level can be attributed partly to our effort to listen, grasp and respond to our employees' shifting needs at the workplace. We conducted a review of our work environment and introduced flexi time, mobile workspace and the New WOW Wall.



guidelines and a company-wide training programme. With an increasing focus by government to address this issue nationally and our planned expansion to other countries in the region, we need to have clear guidance for our employees and demonstrate to external stakeholders how anti-bribery and corruption practices are embedded in our operations.

Valuing Women

Women account for 39% of our total workforce. Over 85% of women working at Encorp are under the age of 40 years old. We have an equal composition of men and women at the executive level but we recognise that there are fewer women in the management. There are currently two women on our management team.

Engagement Score	Driver Questions
> 96% Strengths to be sustained	I know how to measure the quality of my work
	I am committed to my organisation's success
	My organisation is a good place to work
	I know my organisation's mission
	I know my organisation's vision
< 80% key concerns and areas of improvements	My organisation has the right people and skills
	My organisation asks what I think
	I am allowed to make decisions to solve problems for customers
	My organisation asks for my ideas
	I know how well my organisation is doing financially

New WOW Wall

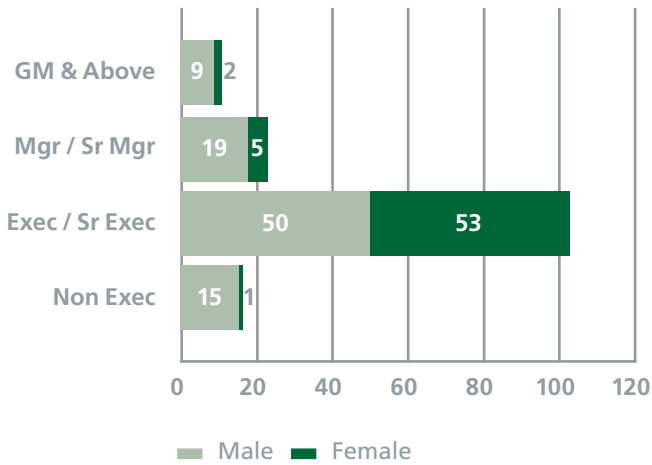
At Encorp, we encourage our employees to find new and innovative methods and ways of operating. The New WOW Wall is an opportunity for all employees to provide suggestions as to areas to improve. Launched in 2011, we received 143 ideas on the online portal through themed campaigns. The HPT team shortlisted 10 ideas from the WOW Wall every month. These ideas are judged based on our priorities. The top 3 workable ideas are then operationalised.

We want to attract the best talent regardless of gender and race. However, we recognise there are social barriers and expectations placed on women that may prevent them from continuing in the workforce. We are also acutely aware that diversity among our employees and management brings distinct capabilities and innovation.

Being Ethical

We will expand our current whistle blowing policy to ensure a more robust framework to address anti-corruption practices. This will include developing a policy on anti-bribery and anti-corruption, gifts

We want to understand the needs of women working in Encorp to develop and offer an employment experience that is different from our peers. This will allow us to attract and retain top woman in our field. We have also set a target to increase the number of women in senior positions over the coming years



Number of Men and Women by Positions

Decent Workplace for All

We understand that motivated and happy workers are crucial for us to deliver projects of high quality on time. We are therefore committed to ensuring that all people contributing to our developments and construction work are treated fairly and enjoy decent working standards. Beyond our own employees, these include the approximately 1,000 foreign labourers employed by our 25 contractors and subcontractors.

The majority of workers on site are foreign workers from around the region. We conduct checks to ensure that labourers on our sites are legal and that working conditions are in line with national labour law. Our contractors are responsible for providing labourers with personal protection equipment and accommodation on site. All foreign labourers are covered under a mandatory health insurance protection scheme. Employers pay a mandatory RM120 annually for each foreign labourer. The insurance scheme provides for hospitalisation and medical benefits to foreign labourers with coverage of RM10,000 per year for all injuries and sickness at government hospitals.

While we believe that our contractors and subcontractors have already adhered to very high standards, we wish to codify our commitment to decent standards throughout our sphere of influence. Over the coming years, we will introduce a Code of Conduct for all of our contractors and subcontractors. This Code will include a requirement that all International Labour Organisation (ILO) Core Labour Standards are adhered to, including fair pay, non-discrimination, decent housing, and an explicit ban on child and bonded labour. We will oversee implementation of the Code through contractual requirements, collaboration with contractors as well as ongoing assessments or audits.

5-year Roadmap Towards 'A Happy and Safe Workplace'

Safe working environment

- Maintain zero accidents

Reduce turnover

- Lowest turnover rate benchmarked against industry peers

Decent workplace for all

- Contractor compliance with ILO standards

Valuing women

- Increase number of women in leadership positions to reflect overall employee composition

building green habitats





As a property developer, we have an impact on the environment throughout the life cycle of the building. We can minimise these impacts by considering and factoring the environment when we acquire land, approve designs and operational performance, select fittings and materials, and the construction processes. In November, our construction operations were certified ISO14001:2004. We remain compliant with environmental regulations and have had no environmental incidence.

Water

We are tackling water conservation and protection through three distinct activities: ensuring water efficiency of our developments, saving water at construction sites and preventing pollution through run-offs at sites.

With an annual rainfall of 300cm in Malaysia, there is an opportunity to collect rain for non-drinking purposes. Designs of our commercial buildings incorporate a 30,000 litre rain harvesting tank which channel water for the use of air-conditioning coolers, landscaping and external cleaning.

Malaysians use an average of 226 litres of water per person per day. This is more than double the usage of our neighbouring countries. We help customers reduce their consumption through installation of GBI certified low flow sanitary ware which reduce the use of water by half. As GBI gains traction in Malaysia, more GBI fixtures will be available in the market.

Domestic water is piped in from water mains to each construction site. Water is used for brick laying, tiling, plastering and domestic use by workers living on site. Our concrete is delivered pre mixed and requires no additional water. We maintain checks on hose pipes to ensure that water is not wasted.

We do extract ground water on all our sites which we use for sanitation and non-drinking purposes. We do not currently measure amount extracted. Water used in sanitation is discharged into a septic tank.

We monitor surface water runoff from our sites by ensuring water leaving our site is free from silt by constructing perimeter drains and silt traps at our site. We conduct regular maintenance of our construction machinery to avoid oil leaks onto land and ensure emission within permissible standards.

Waste

Construction waste can be reduced in our design phase. We are exploring ways to design homes that require minimal cutting of tiles. In new buildings, we will facilitate recycling through installation of recycling facilities.

Waste from our construction sites can be classed as scheduled, construction or domestic waste. Our sub-contractors are required to undertake the removal and safe disposal of chemical and scheduled waste off site.

Construction and domestic waste is removed and disposed of by licenced contractor. We currently do not weigh the waste removed from our sites. However, we are able to calculate approximate weight of waste removed based on number of trips and tonnage of waste skip. An estimated 956 tonnes of waste was removed from our Gardens project in 2011.

Energy Reduction

With an average temperature of 32°C, a lot of energy is used to keep buildings cool in Asia. Through incorporating design features and materials, we can reduce the cost of operating and carbon footprint of our buildings. Designs to orientate buildings to provide natural sun shading, sky gardens to provide heat insulation, use of low E glass and maximise shading in open areas help to reduce heat island. Installation of LED light fittings also allows customers to install energy saving lights and motion sensors.

Pollution and Noise

As we begin to construct in areas of high urban density, we need to ensure that our noise levels are within legal limits of 85 decibels. We adopt best practices such as using hydraulic hammers in piling to reduce noise. Local authorities conduct spot checks and we have had no violation in the past year.

We do not conduct special or hazardous activities on site as specified under the Environmental Quality Act (1974), and therefore are not required to measure our emissions. We do not openly burn waste materials on our sites.

Materials and Processes

As we move towards constructing GBI certified buildings, we need to ensure our materials are locally produced. As part of the GBI requirements, 80% of cement, aggregate and steel used must be produced within 500km of our construction site. All the steel used in our construction is already made from 95% recycled steel. We advocate the use of low volatile organic compounds tile adhesive, waterproof membrane and indoor paint.

Depending on projects and client specification, we will try to reuse and reduce resources. For example, wood used for foam work can be recycled up to four times, while plastic moulding can be used eight times, and steel mould up to 50 times.

Biodiversity

All of our future greenfield developments will undergo biodiversity assessment to ensure that no high conservation value areas are damaged. All our development will include a plan to promote and enhance the biodiversity in the area.

provide energy and water savings, a healthier indoor environment, better connectivity to public transport, the adoption of recycling and greenery and reduction of environmental impacts.

The GBI rates six types of residential and non residential buildings as Platinum, Gold, Silver or Certified. Buildings certified under the GBI are assessed in six key criterias:

Green Building Index

Launched in 2009, the Green Building Index (GBI) is Malaysia's industry-recognised green rating tool. The GBI provides an opportunity for developers and building owners to design and construct green, sustainable buildings that can

- _ Energy efficiency
- _ Indoor environmental quality
- _ Sustainable site planning and management
- _ Material and resources
- _ Water efficiency
- _ Innovation

5-year Roadmap Towards 'Building Green Habitats'

Waste

- Map and set reduction targets of construction waste to land field from a 2012 baseline
- Recycling facilities in all new developments by 2016
- Measure and set a waste reduction target from assets owned

Water

- Map and set reduction targets for water used in construction from a 2012 baseline
- Installation of water efficiency fixtures in new properties
- Measure and set a water reduction target from assets owned

Carbon

- Map and set reduction targets of carbon from construction materials from a 2012 baseline
- Installation of energy efficiency fixtures in new developments
- Measure and set a reduction carbon emissions from assets owned

Biodiversity

- All greenfield development undergo biodiversity assessment by 2016
- Biodiversity enhancement plan incorporated into all new development by 2016

building in harmony





We want to make a meaningful difference in the lives of communities around where we build. We look to improve the quality of lives of marginalised individuals through investing in strategic projects which create long term and measurable impacts. As we move towards building in urban communities and in emerging countries, we need to ensure a robust engagement framework to ensure we minimise negative impacts from our presence in their community.

Making a Difference

We look to provide support and relief through monetary and in kind support to improve the lives of individuals with fewer opportunities. In the past three years, we have donated over RM1.1 million to various causes and initiatives. Our community efforts in 2011 were targeted at:

Including Marginalised Segments of Society

- Celebrating Chinese New Year with senior citizens at the Evergreen Retirement Home
- Donating RM100,000 to Yayasan DiRaja Sultan Mizan Zainal Abidin for their charitable causes
- Participating in a Charity Run at Taman Metropolitan Kepong in support of the National Cancer Society Malaysia
- Organising a Ramadhan Breaking of Fast with orphanages from Pertubuhan Anak Yatim dan Miskin Al-Munirah

Participating in Disaster Relief

- Contributing RM500,000 towards rebuilding of Masjid Raya Jambak and Masjid Ikur Koto which were damaged by earthquake in Padang, Indonesia

Development of Sports

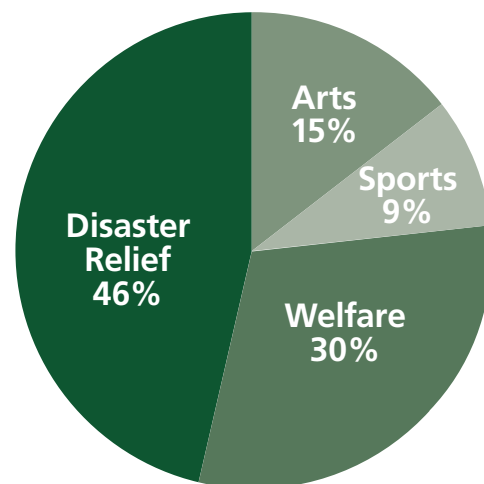
- Sponsorship of RM5,000 towards the inaugural Malay College of Kuala Kangsar Premier 7's Rugby Tournament 2011. The seven a side rugby tournament aims to assist the development of rugby in Malaysia
- Sponsorship of tennis talents, sisters Elsa and Elysa Rahman with RM20,000 for tennis training and development Sponsorship of RM40,000 for Malaysia's top male squash player Mohd Azlan Iskandar

Thriving Arts and Culture Scene

- Sponsored a 3-night show of the musical 'The Secret Life of Nora' at Istana Budaya
- Sponsored a one night show of the musical 'West End Stars in Concert' at Istana Budaya

Education

- Contributed RM3,500 towards supporting the Ministry of Education's internal newsletter, Suara Kesatuan Sekerja Kakitangan Makmal
- Contributed computers and printers worth RM48,530 to 'Projek Hati Nurani – Sekolah Dalam Hospital' project, spearheaded by Yayasan Nurul Yaqeen and led by Deputy Prime Minister's wife, YBhg Puan Sri Norainee. The project supports continuous education of children who have to stay in hospitals for an extended period of time
- Contributed RM50,000 to help the underprivileged by way of a Charity Golf Tournament organised by the Sekolah Sultan Alam Shah Parents and Teachers Association



2009 – 2011 Community Donation by Type

From Philanthropy to Community Investment

Over the past years, we have made significant donations to community projects. However, we wish to ensure that our contributions deliver long-term benefits to the communities in which we operate. Within the next 2–3 years, we will therefore develop a

more strategic framework for community investment, focusing on identified community needs in the areas around our major developments. Our community investment projects will have clear objectives, be tied closely to our business skills as a construction and development company and seek to encourage volunteering among staff.

Community Engagement

Available land for development in strategic locations is increasingly scarce and is often found in established communities. Building among populated centres will cause disruptions, such as noise, dust, and congestion,

to the surrounding communities. With our long term strategy to build in emerging countries in South East Asia, engagement with communities will be more important.

We want our developments to add value and contribute to the community. Engagement with communities outside of our boundary will bring business and community benefits.

We will develop a community grievance and complaints policy and procedure to allow us to respond to concerns by communities. A community engagement plan will be incorporated into all new developments as part of standard operational procedure. Employees will be also trained on community engagement.

5-year Roadmap Towards 'Building in Harmony'

Community investment

- Creation of a corporate foundation to address needs of surrounding communities

Community engagement

- A community engagement plan incorporated into all new developments
- Employees training on community engagement



glossary



Green Building Index (GBI) is Malaysia's industry-recognised green rating tool for buildings. The GBI rates six types of residential and non residential buildings as Platinum, Gold, Silver or Certified. Buildings certified under the GBI are assessed for energy efficiency, indoor environmental quality, sustainable site planning and management, material and resources, water efficiency and innovation.

Gross development value (GDV) is the marginal value of a product which is already on market for sale. GDV is similar to that of value added tax, where tax is levied on the additional/marginal value added by the seller to sell the product and boost sales for higher profit.

Gross Floor Area (GFA) is a real estate term referring to the total floor area inside the building envelope, including the external walls but excluding the roof. GFA vary from country to country.

Industrialised Building Systems (IBS) is a construction system where components are manufactured at factories on or off site, transported and then assembled into a structure with minimum work. In Malaysia, the five commonly used IBS systems are Precast concrete framing, panel and box systems, Steel framework systems, Prefabricated timber framing systems, Steel framing systems, and Blockwork systems.

Low E glass is a coating that reflects or absorbs infrared light. The thickness of the Low E coating and the position in the window dictates how much heat is reflected or absorbed.

Quality Assessment System in Construction (QLASSIC) is a Malaysian standard to measure and evaluate the quality of workmanship in construction. A QLASSIC assessment is divided into four components: structural, architectural, mechanical and engineering, and external works. Weightage is allocated to each of the four areas, taking into consideration the distribution between the cost proportions of the four components, category of building, and their aesthetic considerations. The total quality score of a building project is the sum of points awarded to the four components in each category of a building.

Volatile organic compounds (VOC) are organic chemicals that have a high vapour pressure at ordinary, room-temperature conditions. Many VOCs are dangerous to human health or cause harm to the environment. VOCs are numerous, varied, and ubiquitous. They include both man-made and naturally occurring chemical compounds. Anthropogenic VOCs are regulated by law, especially indoors, where concentrations are the highest. VOCs are typically not acutely toxic, but can cause compounding long-term health problems. Due to their low concentration, symptoms are slow to develop.



global
reporting
initiative
g3.1 index



GRI Disclosure		Type	Location – Section	Page
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3.9	Data measurement techniques and assumptions	Core	About this report	64–65
3.10	Explanation of the effect of any restatements of information provided in earlier reports	Core	Not applicable. This is Encorp's first report	

GRI Disclosure		Type	Location – Section	Page
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Core	Not applicable. This is Encorp’s first report	
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4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Core	Corporate Governance	24
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4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation’s performance (including social and environmental performance)	Core	Corporate Governance	24
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4.7	Process for determining the qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	Core	Corporate Governance	24
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4.9	Board procedures for overseeing the organisation’s identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Core	Corporate Governance	24
4.10	Processes for evaluating the board’s own performance	Core	Corporate Governance	24
4.13	Memberships in associations or advocacy organisations	Core	Promoting sustainable buildings	33
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GRI Disclosure		Type	Location – Section	Page
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Not reported : 4.11, 4.12, 4.16, 4.17

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Environment

	Disclosure on Management Approach	Core	Building green habitats	44–45
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Additional	Building green habitats	44–45
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Additional	Building green habitats	44–45
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Additional	Building green habitats	44–45
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Core	Building green habitats	44–45
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation’s operations, and transporting members of the workforce	Additional	Building green habitats	44–45

Not reported : EN1, EN2, EN3, EN4, EN5, EN7, EN8, EN9, EN10, EN11, EN12, EN13, EN15, EN16, EN17, EN19, EN20, EN21, EN22, EN23, EN24, EN25, EN27, EN28, EN30

Labour Practices and Decent Work

	Disclosure on Management Approach	Core	Happy and safe workplace	38–41
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GRI Disclosure		Type	Location – Section	Page
LA1	Total workforce by employment type, employment contract, and region broken down by gender	Core	Happy and safe workplace	38–41
LA2	Total number and rate of employee turnover by age group, gender and region	Core	Happy and safe workplace	38–41
LA6	Percentage of total workforce represented in formal joint-management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	Additional	Happy and safe workplace. There is no formal joint management	38–41
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Core	Happy and safe workplace	38–41
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	Core	Happy and safe workplace	38–41
LA10	Average hours of training per year per employee per category	Core	Happy and safe workplace	38–41
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group	Core	Happy and safe workplace	38–41

Not reported : LA3, LA4, LA5, LA9, LA11, LA12, LA14, LA15

Human Rights

	Disclosure on Management Approach	Core	Happy and safe workplace	38–41
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Core	Happy and safe workplace	38–41
HR4	Total number of incidents of discrimination and actions taken	Core	Happy and safe workplace	38–41
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Core	Happy and safe workplace	38–41
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	Core	Happy and safe workplace	38–41
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour	Core	Happy and safe workplace	38–41

Not reported : HR2, HR3, HR8, HR9, HR10, HR11

GRI Disclosure		Type	Location – Section	Page
Society				
	Disclosure on Management Approach	Core	Anything but ordinary	32–34
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Core	No significant fines and sanctions in reporting period	
SO9	Operations with significant potential or actual negative impacts on local communities	Core	Building green habitats	44–45
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Core	Building green habitats	44–45
Not reported : SO1, SO2, SO3, SO4, SO5, SO6, SO7				
Product Responsibility				
	Disclosure on Management Approach	Core	Anything but ordinary	32–34
PR1	Percentage of employees trained in organisation’s anti-corruption policies and procedures	Core	Building green habitats	44–45
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Additional	Anything but ordinary	32–34
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Additional	Anything but ordinary	32–34
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Core	No non compliance in this reporting period	
Not reported : PR2, PR3, PR6, PR7, PR8				

data calculation



Property Portfolio

	Type	Status	Land bank (Acres)	Gross Development Value (RM million)	Gross Floor Area
Encorp Cahaya Alam, Shah Alam			210	800	
Lotus	Residential	Under construction			333,108
Camellia 1	Residential	Completed			212,139
Camellia 2	Residential	Completed			153,090
Frangipani	Residential	Under construction			379,537
Jasmine 1	Residential	Completed			132,480
Jasmine 2	Residential	Completed			156,400
Magnolia	Commercial	Under construction			282,000
Encorp Strand, Kota Damansara			45.6	1,300	
Encorp Strand Mall	Commercial	Under construction			1,430,217
Residences	Commercial	Under construction			729,429
Garden Office (Non GBI)	Commercial	Under construction			1,167,019
Garden Office (GBI) Blk B & P	Commercial	Under construction			191,150
Business Suites	Commercial	Completed			1,627,100
Red Carpet Avenue	Commercial	Completed			37,500
Encorp Marina Puteri Harbour	Commercial	Planning	3.3	500	1,474,000
Batu Feringghi, Penang	Residential	Planning	5.831	210	275,000
The Residence on McCallum Lane, Perth	Residential	Under construction	0.85	80	102,596
Total			265.581	2,890	8,682,765

Construction Contract by Value

Construction by value as at 17 May 2012	RM value (Million)	% completed	Completed value (RM)	Value not completed (RM)
Electrified Double Track Rail Project (Seremban-Gemas)	130.80	70.00	91.56	39.24
Magnolia, Encorp Cahaya Alam	22.00	65.00	14.30	7.70
Garden Office, Encorp Strand	125.00	25.00	31.25	93.75
Lotus, Encorp Cahaya Alam	51.50	0.00	0.00	51.50
Shop Offices, Encorp Strand	59.90	100.00	59.9	0
Red Carpet Avenue, Encorp Strand	14.90	100.00	14.9	0
Sarawak Schools Project	150.00	100.00	150	0
Total Value (RM)	554.10		361.91	192.91

Group Revenue by Divisions

	2009	2010	2011
Property development	71,076,287	44,311,361	89,050,327
Construction (excluding trading)	43,044,850	102,428,636	87,494,284
Concession	115,342,738	113,100,877	110,624,273
Other divisions (Trading/Restaurants)	5,441,687	9,870,834	2,758,380
Total revenue	234,905,562	269,711,708	289,927,264



about this report



This is Encorp's first stand alone Sustainability Report. We have published our Corporate Social Responsibility (CSR) disclosure in our annual reports and on our website (www.encorp.com.my). We have opted to use the Global Reporting Initiative (GRI) framework, the defacto standard in sustainability reporting, to demonstrate our commitment to sustainability reporting. Content of this report is guided by the GRI 3.1 Principles. We believe that this report meets the requirements of GRI 3.1 Guidelines application level 'C'.

Our aim is to continuously review our sustainability performance and to publish updated data annually. Because this is our first sustainability report, there is no re-statement of information from previous reports nor are there any significant changes from previous periods to report.

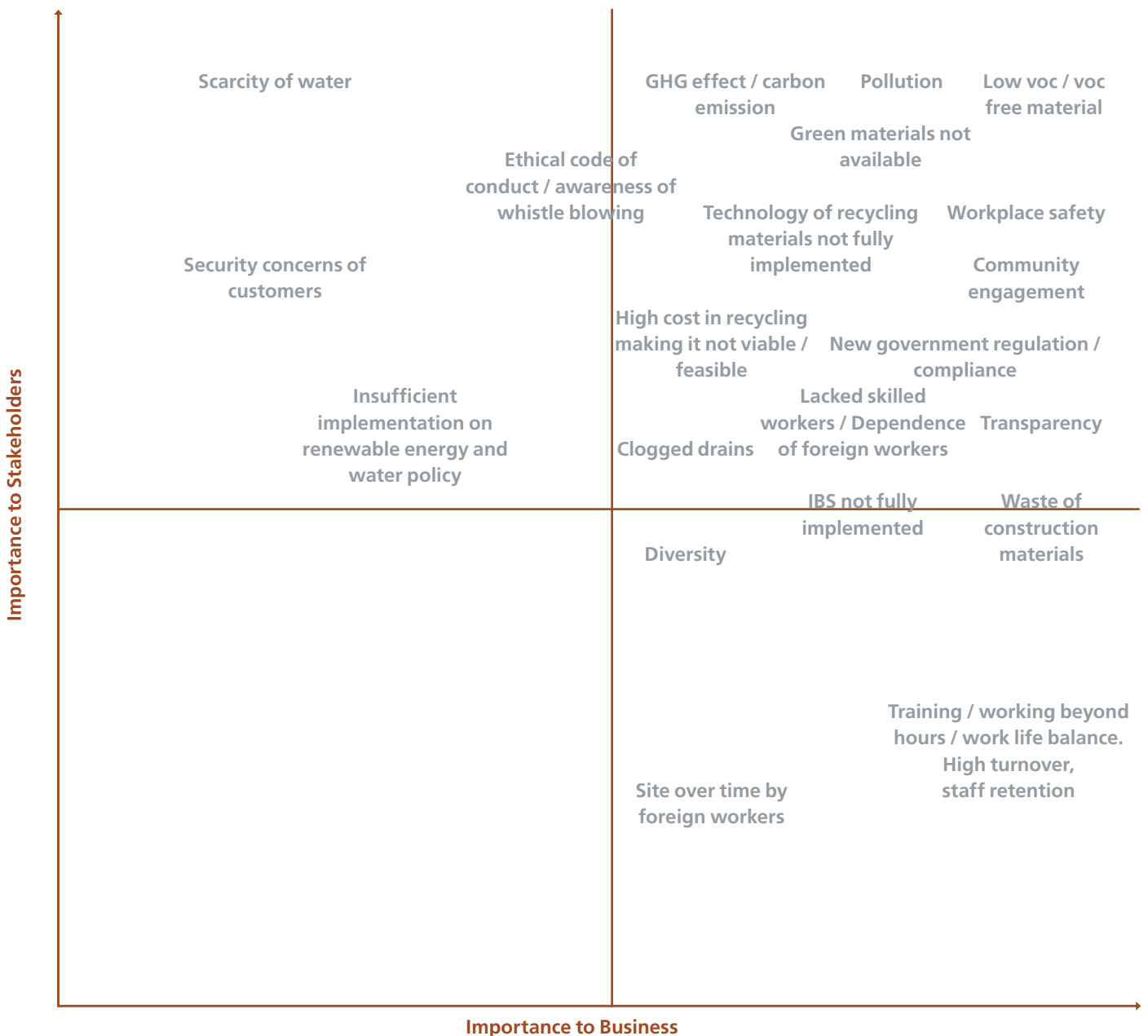
The data in this report were collected for the period January – December 2011. We have also provided

available historical data to provide context and demonstrate trends.

Materiality

In 2011, we commissioned CSR Asia to assist us in developing a strategic framework for our sustainability strategy. Through review and benchmarking of best practice in our industry, management interview, a materiality matrix was developed to assist us in determining immediate priorities for action and reporting.

The area in top right are those areas which have both high relevance to Encorp's operations as well as high on the agenda of our key stakeholders. These areas are the focus of the report. We have also included information in this report, the areas that are in bottom right are important to our business operations and internal stakeholder.



Stakeholder Inclusiveness Reporting Cycle

We conducted internal and external stakeholder interviews to understand expectations in developing our first sustainability report. We conducted one on one interviews with selected contractors, investor analyst, and media. Telephone interviews were conducted with customers. We conducted two employee focus groups as well as and interviews with senior management to understand business challenges and how sustainability fits into their business operations.

Sustainability Context

Report content is prioritised based on areas deemed material for a property development company in Malaysia. However, with our aim to expand into neighbouring countries, we have also sought to include reference to regional development and challenges related to our industry in this report.

Completeness

This report covers our wholly-owned operations in Malaysia, including subsidiaries in which Encorp holds a majority stake. Red Carpet Avenue Sdn Bhd and its related subsidiary in the restaurant sector is not included in this report as it was established in 2011 and accounts for less than 1% of our current revenue. Encorp is exploring new ventures related to our business on an on-going basis and these will be included in future reports.

We believe that the report includes all significant actions or events in the reporting period and that combined with our Annual Report, includes relevant information that would influence or inform stakeholder assessments or decisions or that would reflect significant economic, environmental and social impacts.

Encorp is committed to report on its sustainability performance on a regular basis. We will determine the frequency of reporting based on stakeholder feedback from this first report.

Assurance

As this is our first report, we have not undertaken third party assurance. We expect to include a form of third party assurance in future reports.

Data measurement techniques and assumptions

All financial data is identical to that listed in Encorp's Annual Report 2011. Other data presented in this report is based on internal data and is presented on a best-effort basis, and is subject to further improvement over future reporting cycle. Environmental and workplace data of our development that are not constructed by Encorp Construct Sdn Bhd are not included in this report.



ANYTHING BUT ORDINARY

(506836-X)

No. 45G, Jalan PJU 5/21 ■ The Strand Encorp ■ Pusat Perdagangan Kota Damansara
Kota Damansara ■ PJU 5 ■ 47810 Petaling Jaya ■ Selangor Darul Ehsan