

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0370
COMPANY NAME : EXPRESS POWERR SOLUTIONS (M) BHD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of the Express Power Solutions (M) Bhd ("Company") acknowledges its stewardship and fiduciary responsibilities as prescribed under relevant laws and regulations such as the Companies Act 2016.</p> <p>The Board has approved the Board Charter which outlined its responsibilities for providing strategic oversight and leadership of the Company and its subsidiaries ("Group"), including approving and monitoring corporate strategy, business plans, budgets, financial reporting, major investments, and matters reserved for its decisions, while striving to achieve sustainable long-term value creation.</p> <p>The Board also oversees corporate, sustainability, risk management governance and compliance, conduct and ethical standards, succession planning, remuneration policies, effective stakeholder communication, and the overall performance of the Group.</p> <p>Further details of the roles and responsibilities of the Board are outlined in the Board Charter, which is available on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is helmed by the Independent Non-Executive Chairman, Dato' Mohd Redza Shah Bin Abdul Wahid and his profile is set out in the Directors' Profile of the Company's Annual Report 2025, which is available on the Company's website at https://exp.com.my/corporate-governance.</p> <p>As the Chairman, Dato' Mohd Redza Shah Bin Abdul Wahid led the Board in instilling good corporate governance practices by providing thought leadership to the Board members, ensuring the Board functions effectively on all aspects of its role and setting its agenda during the FYE 2025.</p> <p>When chairing Board meetings, Dato' Mohd Redza Shah Bin Abdul Wahid maintains a collaborative atmosphere, and ensures that all Directors contribute to debates freely and a consensus is reached and sufficient time is allowed for the discussion of complex or contentious issues.</p> <p>The roles and responsibilities of the Chairman are clearly outlined in the Board Charter, which is available at the Company's website, https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>To ensure balance of power and authority, accountability and independent decision making, the roles of the Chairman and the Managing Director (whom has similar duties of a chief executive) are distinct and separate.</p> <p>The Chairman, Dato' Mohd Redza Shah Bin Abdul Wahid, is responsible for providing leadership to the Board, ensuring effective and orderly functioning of the Board, and providing oversight over the operations of the Group.</p> <p>The Managing Director, Mr. Lim Cheng Ten supported by the management team, is responsible for the day-to-day business operations of the Group as well as the implementation of the policies, business directions approved by the Board for the continuous improvement of the Group's performance.</p> <p>To further reinforce the Company's corporate governance framework, neither the Chairman and Managing Director are members of any Board Committees.</p> <p>The roles and responsibilities of the Chairman and Managing Director are clearly outlined in the Board Charter, which is available on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

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

<p><i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i></p>	
Application	: Applied
Explanation on application of the practice	: <p>The Chairman, Dato' Mohd Redza Shah Bin Abdul Wahid is not a member of the three (3) Board Committees established by the Board, namely, the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC").</p> <p>During the financial year ended 31 December 2025 ("FYE 2025"), the Chairman did not attend and participate in any Board Committees' meetings.</p> <p>This structure promotes objectivity in the Board's and Board Committees' deliberations and ensures that there are effective checks and balances, as well as objective review by the Board when observations and recommendations are put forth by the Board Committees.</p>
Explanation for departure	: Please provide an explanation for the departure.
	: Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by a qualified and competent Company Secretary, namely Ms. Wong Youn Kim (MAICSA 7018778 and SSM Practising Certificate No. 201908000410), who is a Chartered Secretary and fellow member of the Malaysian Institute of Chartered Secretaries and Administrators. Ms. Wong Youn Kim is also qualified to act as company secretary under Section 235(2)(a) and Section 241 of the Companies Act 2016 of Malaysia ("CA 2016").</p> <p>The Company Secretary is responsible for providing sound governance advice, monitor corporate governance development and assist the Board in applying governance best practices to meet the Board's needs and stakeholders' expectations. She also advised and regularly update the Board on new corporate disclosure and compliance requirements with, among others, the Malaysian Code on Corporate Governance 2021 ("MCCG"), CA 2016 and ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>The Board members have unrestricted access to the advice and services of the Company Secretary. The Board is satisfied with the service and support rendered by the Company Secretary in discharge of their functions in the FYE 2025.</p> <p>The roles and responsibilities of the Company Secretary are clearly outlined in the Board Charter, which is available on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>As stipulated in the Board Charter, the Board and Board Committees papers comprising of due notice of issues to be discussed, supporting information and documentations will be provided by the Company Secretary to the Board and Board Committees at least 5 working days before the date of the meeting. This is to ensure that the Directors are given sufficient time to read the papers and seek any clarification that they may need from the management or to consult the Company Secretary, external auditor, internal auditor or any other advisers before the Board or Board Committee meeting, if necessary. This enables the Directors to discuss the issues effectively at the Board and Board Committee meeting.</p> <p>The Board has access to all information within the Group as a full Board to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board or Board Committees papers for informed decision making and meaningful discharge of its duties.</p> <p>All Directors have direct access to the advice and services of the Company Secretary who is responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with. The Sponsor, Mercury Securities Sdn Bhd is invited to attend meetings to provide insights and professional views on the Listing Requirements, when required.</p> <p>Management team from different business units and the Financial Controller will also be invited to participate in the Board and Board Committee meetings to enable all Board members to have equal access to the latest updates and developments of business operations of the Group presented by the management team. The Chairperson of the ARMC, NC and RC will brief the Board on matters discussed as well as recommendations after their respective Board Committees' meetings.</p> <p>When necessary, all Directors whether as a full Board or in their individual capacity, may seek independent professional advice, including the internal auditors and external auditors, at the Company's expense to enable the Directors to discharge their duties with adequate</p>

	<p>knowledge on the matters being deliberated. The Directors may consult the Chairman or other Board members prior to seeking any independent professional advice.</p> <p>For matters which require the Board’s decision outside the scheduled Board’s meetings, approvals are obtained by way of circular resolutions along with all the relevant documents and information to enable the Directors to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the next Board meeting.</p> <p>The proceedings and relevant resolutions passed at the Board and Board Committee meeting are duly recorded by the Company Secretary, and properly documented and filed in the Minutes Book maintained by the Company Secretary at the Registered Office of the Company.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted the Board Charter and the Terms of Reference of the three (3) Board Committees, which outlined the respective roles and responsibilities of the Board, Board Committees, individual Directors, Company Secretary, Managing Director, Executive Director and management; as well as the issues and decisions reserved for the Board.</p> <p>The Board Charter and Terms of Reference of the respective Board Committees will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. All amendments to Board Charter and Terms of Reference of the respective Board Committees must be approved by the Board.</p> <p>The Board Charter and Terms of Reference of the three (3) Board Committees are accessible through the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The has adopted the Code of Conduct and Ethics ("Code"), which sets forth the values, expectations and standards of business ethics and conduct to guide the Board and all employees of the Group. The Code covers the principles of conflict of interest, insider dealings, integrity, compliance with laws etc.</p> <p>All Directors and employees are expected to conduct themselves with the highest ethical standards and professionally at all times to promote and protect the reputation and performance of the Group.</p> <p>To reinforce ethical conduct and professionalism across the Group, the Code is supplemented by other Board policies such as:</p> <ul style="list-style-type: none">(i) Related Party Transactions Policies and Procedures;(ii) Anti-Bribery and Corruption Policy;(iii) Conflict of Interest Policy;(iv) Anti-Money Laundering Policy; and(v) Whistleblowing Policy. <p>The Company Secretary informs the Board members and principal officers of the Group to observe the requirements as prescribed in the Rule 14.08 and Rule 14.09 of the Listing Requirements when dealing in the Company's securities during and outside the closed periods.</p> <p>Further details of the Code and the abovementioned policies are available for reference on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised the Whistleblowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices in a safe and secure manner.</p> <p>The main objectives of the policy are to:</p> <ul style="list-style-type: none"> (i) ensure the Group’s business is conducted in compliance with the laws; (ii) provide avenue for all employees and third parties to disclose any improper conduct that adversely impacts the Group; (iii) promote and cultivate an environment of honesty and integrity; (iv) enhance the employees’ awareness of the Group’s stand on illegal, unethical and dishonest acts and the consequences of such acts; and (v) create employees’ awareness of their roles, rights and responsibilities pertaining to illegal, unethical and dishonest acts. <p>The Whistleblowing Policy shall be reviewed by the Board at least once in every three (3) years.</p> <p>The details of the Whistleblowing Policy are available for reference on the Company’s website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide and Toolkits (3rd Edition), the Group's sustainability agenda, priorities and practices focus on ensuring that material economic, environmental, social and governance related risks and opportunities are tied in with the sustainability, corporate and risk management governance framework as well as prioritised social responsibilities considerations. This enables the Group's corporate success and behaviour to be judged and measured by the relevant stakeholders and public.</p> <p>The Board understands the importance of the pertinent economic environmental, social, and governance ("EESG") factors that affect the Group's performance and has been actively embedding sustainability considerations in every decision-making process.</p> <p>The Board and management have been continuously engaged and considered the views of its internal and external stakeholders to better understand and manage the Group's EESG related risks and opportunities.</p> <p>Details on the Group's approach, governance and reporting of material EESG matters are discussed in the Sustainability Statement in the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group acknowledges the need for regular communications with key stakeholder groups in a timely and effective manner is essential to the Group’s sustainability execution. Stakeholders’ perspectives are important to the Group’s business strategies and approaches. Interaction with stakeholders enables the Group to identify, prioritise, address, and align material matters and concerns on the Group’s business strategies and practices towards addressing material sustainability-related risk and opportunities.</p> <p>The Group aims to maintain constructive channels of communication with all key stakeholder groups regularly through both formal and informal channels. The frequency of engagement with the stakeholders varies, based on their specific group with different levels of influence and dependence on the Group’s business and operations. These interactions enable the Group to identify relevant material issues and provide insights into emerging opportunities and risks as well as allowing the Group to effectively address the specific needs and expectations of each stakeholder group whilst ensuring compliance and fostering strong relationships.</p> <p>The details of stakeholder engagement along with their primary areas of interest, main engagement channel and frequency of engagement is set out in the Sustainability Statement of the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board has sufficient understanding and knowledge of sustainability issues that are relevant to the Group and its business, to discharge its role effectively. The Board ensures that the strategies of the Group and the sustainability efforts are aligned and embedded in the day-to-day operations and decision making. To accomplish the Group’s sustainability agenda, the Board encourages open communications with all key stakeholders built on high levels of information disclosure, clarity, and accuracy as well as an openness to recognising faults and improving practices.</p> <p>The Board is committed to abide by all applicable environmental laws and regulations in relation to climate change, energy use and waste management.</p> <p>The Directors will undertake relevant trainings to stay abreast with and understand sustainability issues that are material to the Group.</p> <p>The Company has engaged a professional firm conversant on sustainability to assist and guide the Company in the preparation of the Sustainability Statement included in the Annual Report 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, Board Committees and senior management play an important role in addressing material sustainability risks and opportunities.</p> <p>The NC and RC in the yearly performance evaluations of the Board, Directors and senior management also consider other non-financial performance including addressing the Group’s sustainability risk and opportunities.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5 - Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Board has formed the Sustainability Committee, headed by the Managing Director, supported by the other members of the senior management team and department representatives to set measurable sustainability objectives and monitor sustainability performance.</p> <p>To achieve these delegated responsibilities, this committee will, among others, formulate, prioritise, implement and monitor to ensure effective management of the Group's sustainability agenda in alignment with the Board's sustainability strategies and initiatives in the day-to-day operations.</p>

Intended Outcome

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

Practice 5.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently consists of six (6) members, comprising the Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors.</p> <p>In accordance with the Company's Constitution, at every AGM, 1/3 of the Directors for the time being or if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election, provided that all Directors shall retire from office once at least in every 3 years. Directors appointed during the financial year shall retire at the immediate AGM in accordance with the provisions of the Company's Constitution.</p> <p>The NC will carry out annual review of the composition of the Board which including the evaluation of retiring Director's performance and contribution to the Board. If the retiring Director is an Independent Non-Executive Director, the NC will also consider the "independence", tenure and time commitment as part of their evaluation. The Chairperson of the NC will recommend the re-election of the retiring Directors for the Board to approve and propose their re-election for the shareholders' approval at the forthcoming AGM.</p> <p>The Board has adopted the Fit and Proper Policy and the NC had considered the provisions of this policy to ensure a formal, rigorous and transparent process for the appointment and re-election of Directors. The Fit and Proper Policy is published on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently consists of six (6) members, comprising the Independent Non-Executive Chairman, two (2) Executive Directors, and three (3) Independent Non-Executive Directors.</p> <p>During the FYE 2025. 66.67% of the Board members are Independent Non-Executive Directors.</p> <p>The Board is satisfied that its diversity, current size and composition reflect an appropriate balance of Executive Directors and Independent Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied	
Explanation on application of the practice	:	None of the tenure of the Independent Directors of the Company exceed a cumulative term limit of nine (9) years. The Board Charter has incorporated the requirements by the Board to provide justification and seek annual shareholders' approval through a two-tier voting process when the Board intends to retain an Independent Director beyond the cumulative term limit of nine (9) years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

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

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

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

Practice 5.5

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Taking cognisance of the values of human capital and talent management to achieve sustained growth and value creation to the shareholders' investment, the Board with the assistance of the NC are responsible for the review and assessment of the suitability of Directors to be appointed/re-elected to the Board based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.</p> <p><u>For the appointment of Directors and re-election of Retiring Directors</u></p> <p>In identifying candidates for appointment of Directors, the Board may utilise independent sources in addition to considering recommendations from existing Board members, management or major shareholders. The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the NC.</p> <p>To facilitate the appointment, the Board have approved the Fit and Proper Policy and the NC has adopted this policy to ensure a formal, rigorous and transparent process for the appointment of new Director and proposed re-election of retiring Directors with due regards to whether a Director has the character, experience, integrity, competence and time to discharge his role effectively. In making the recommendations, the NC will also consider the required mix of skills, experience and diversity, including gender, where appropriate, which the Director can bring to the Board.</p> <p><u>For the appointment of Key Senior Management</u></p> <p>The Group searches for suitable candidates through channels such as public advertisement or direct approaches being made to individuals who may be suitable or through organisations that may be able to assist in the recruitment process. Thereafter, the Executive Directors, Board with the assistance of NC shall assess the suitability of the candidates.</p>

	In selecting the appropriate candidates, the Executive Directors, NC and the Board take into account of the candidate's qualification, experience, competence and character. Newly appointed Key Senior Management will have to undergo induction training and/or any other programs as part of the Group's onboarding process.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Appointments of new Directors are undertaken by the Board as a whole after considering the recommendations of the NC. Potential candidates may be proposed by any current Board member, major shareholders or management or by utilising independent sources such as recruitment firms or through industry associations.</p> <p>In considering potential candidates for appointment, the NC, guided by the Fit and Proper Policy, undertakes a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes and the capability to devote the necessary time and commitment to the role.</p> <p>If the potential candidate is proposed by current Board member, management or major shareholders or management, the NC will explain why the independent sources were not used as required in its Terms of Reference.</p> <p>During the FYE 2025, there was no appointment of new Director to the Board.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The details of the retiring Directors standing for re-election at the forthcoming third AGM ("3rd AGM") including their age, gender, interest, qualification, position, working experience and occupation are set out in the Profile of the Directors in the Annual Report 2025.</p> <p>The performance of the retiring Directors recommended for re-election at the 3rd AGM have been assessed through the NC's annual evaluation and recommended to the Board for approval. In its assessment, the NC have made reference to the Fit and Proper Policy and the Directors' conflicts of interest declaration to review the Board composition, Board effectiveness and the tenure of Independent Directors to consider proposing the re-election of the retiring Directors for the Board to approve and recommend to the shareholders for approval at the forthcoming 3rd AGM.</p> <p>A statement by the Board and NC confirming their satisfaction with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 3rd AGM is set out in the Statement Accompanying Notice of Third Annual General Meeting in the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Nomination Committee solely comprises of three (3) Independent Non-Executive Directors as detailed below:</p> <p>Chairperson Ir. Abdul Rahman Bin Adam <i>Independent Non-Executive Director</i></p> <p>Members Aun Siew Kuan <i>Independent Non-Executive Director</i></p> <p>Farah Shireen Binti Mohamed Said <i>Independent Non-Executive Director</i></p>	
Explanation for departure	:		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board currently consists of six (6) members out of which two (2) members (33.33%) of the Board members are women.</p> <p>The Board Charter stipulates that the Board members shall comprise at least 30% women Directors.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Company had adopted the Diversity Policy which outlines its approach in achieving and maintaining diversity (including, but not limited to, gender, age, ethnicity and cultural background) on the Board and senior management. The Board reviews the Diversity Policy as and when needed based on changing environment. The Diversity Policy is disclosed in the Corporate Governance Overview Statement of the Annual Report 2025 and it can be accessible from the Company's website at https://exp.com.my/corporate-governance.</p> <p>The Board recognises that MCCG had recommended for listed issuers to have at least 30% women directors. The Board has achieved the aspirational target of 33% representation of women directors in line with Practice 5.9 of MCCG. The Board Charter stipulates that the Board members shall comprise at least 30% women Directors.</p> <p>Although the Company has not set a gender target of at least 30% of women members at senior management level, the Company strives for equal employment opportunity of which the positions are to be filled with the most suitable candidates on the basis of qualifications, relevant experience, performance potentials and any other attributes required of the job. Notwithstanding the absence of a gender diversity target, the Group has 100% female representation at the Senior Management level as at the date of this report.</p> <p>The gender composition of the Directors, management and employees (by category) is set out in the Sustainability Statement of the Annual Report 2025.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: In accordance with its Terms of Reference, the NC performs an annual assessment of the effectiveness and performance of the Board, Board Committees and individual Directors, in order to validate that the Board is functioning appropriately as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee and its members was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as members' performance against its respective Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board by the NC, as part of the Company's ongoing corporate governance practices.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

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

Practice 7.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a fair and transparent Remuneration Policy with the objectives to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management.</p> <p>The remuneration of Executive Directors and key senior management is reviewed by the RC on a yearly basis prior to making its recommendations to the Board for approval. In its review, the RC consider various factors including but not limited to the corporate and individual performance, driving sustainability agenda across the Group as well as the market competitiveness.</p> <p>The proposed fees of the Non-Executive Directors and any benefits payable to the Non-Executive Directors as recommended by the RC and approval by the Board will be tabled for approval by the shareholders at the forthcoming 3rd AGM in accordance with Section 230 of the Companies Act 2016.</p> <p>The details of the Remuneration Policy are available for reference on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The RC was established to assist the Board in developing remuneration policies and procedures that enable the Group to attract, motivate and retain qualified Directors and key senior management personnel to sustain the growth of the Group for the long-term value creation for the shareholders' investment. Full details of the functions and duties of the RC are stated in its Terms of Reference which is available for reference on the Company's website at https://exp.com.my/corporate-governance .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 8.1

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

Application	:	Applied
Explanation on application of the practice	:	The remuneration of each Directors, paid and payable by the Company and the Group for the FYE 2025, is disclosed on a named basis in the table below and is also disclosed in the Corporate Governance Overview Statement included in the Annual Report 2025.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Mohd Redza Shah Bin Abdul Wahid	Independent Non-Executive Chairman	72	2	-	-	-	-	74	-	-	-	-	-	-	74
2	Ir. Abdul Rahman Bin Adam	Independent Non-Executive Director	60	2	-	-	-	-	62	-	-	-	-	-	-	62
3	Aun Siew Kuan	Independent Non-Executive Director	60	2	-	-	-	-	62	-	-	-	-	-	-	62
4	Farah Shireen Binti Mohamed Said	Independent Non-Executive Director	60	2	-	-	-	-	62	-	-	-	-	-	-	62
5	Lim Cheng Ten	Managing Director	-	-	-	-	-	-	-	-	-	420	-	-	46	466
6	Rosli Bin Jonid	Non-Independent Executive Director	-	-	-	-	-	-	-	-	-	154	18	-	22	194

Intended Outcome

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

Practice 8.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has decided not to disclose on a named basis the top five senior management's remuneration components including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.</p> <p>The Board believes that disclosure of key senior management's remuneration is neither to the Group's advantage nor in its business interests, given the sensitive nature of such information and the intense competition for talent in the industry.</p> <p>The performances of senior management are evaluated on an annual basis and measured against the targets set for the year. The remuneration packages are reviewed annually and adjustments to their remuneration are made based on not only on their individual performance and contributions in the preceding year, but also the Group's performance.</p> <p>The Board will review and consider the disclosure requirements in Practice 8.2 in the next financial year, if necessary.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The disclosure of the remuneration of key management personnel of the Group on an aggregate basis is disclosed under Note 31 to the Audited Financial Statements for the FYE 2025 included in the Annual Report 2025.
Timeframe	:	Choose an item.

Intended Outcome

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

Practice 8.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairperson of the Audit and Risk Management Committee is not the Chairman of the Board.</p> <p>The Audit and Risk Management Committee is chaired by the Independent Non-Executive Director, Aun Siew Kuan whereas the Board is chaired by the Independent Non-Executive Chairman, Dato' Mohd Redza Shah Bin Abdul Wahid.</p> <p>With the segregation of the position of the Chairman of the Board and Chairperson of the ARMC being held by different individuals, the Board is able to objectively deliberate and review the findings and recommendations of the ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	Based on the Terms of Reference of the Audit and Risk Management Committee, a former key audit partner of the Company shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit and Risk Management Committee and the Board. Currently, none of the three (3) members of the Audit and Risk Management Committee are former key audit partners of the Company.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the ARMC, among others, requires the ARMC to assess the suitability, objectivity and independence of the External Auditors to safeguard the quality and reliability of the audited financial statements.</p> <p>In November 2025, the External Auditors, Crowe Malaysia PLT ("Crowe") presented its 2025 Audit Planning Memorandum ("APM") for the ARMC's review. The APM outlined its engagement team, Crowe's services, independence, concept of materiality, the areas of audit emphasis, multi-location scoping, fraud considerations and the risk management override, fair and transparent fees and audit timeline. This formed part of the ARMC's assessment of the suitability, objectivity and independence of Crowe. The ARMC had made reference to Crowe's Transparency Report 31 December 2024 to have a better understanding of Crowe's policy on conflict of interest and independence.</p> <p>The Terms of Reference of the ARMC is available for reference on the Company's website at https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the members of ARMC are Independent Non-Executive Directors, which comprises the following: Chairperson Aun Siew Kuan <i>Independent Non-Executive Director</i> Members Ir. Abdul Rahman Bin Adam <i>Independent Non-Executive Director</i> Farah Shireen Binti Mohamed Said <i>Independent Non-Executive Director</i>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.

The company's financial statement is a reliable source of information.

Practice 9.5

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

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

Application	:	Applied				
Explanation on application of the practice	:	<p>All members of the ARMC appointed by the Board have attended the Mandatory Accreditation Program Part I and II prescribed by Bursa Securities as at the issuance date of the Annual Report 2025. The members are financially literate with the Chairperson, Aun Siew Kuan a member of the Malaysian Institute of Accountants (MIA).</p> <p>During the FYE 2025, the members of the ARMC have attended several relevant courses as below:</p> <table border="1"><thead><tr><th>Directors</th><th>Seminar / Conference / Workshop</th></tr></thead><tbody><tr><td>Aun Siew Kuan</td><td><ol style="list-style-type: none">1. Knowledge Sharing Session (1) Practical Insights to Scope 1 & 2 Emissions2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)3. RAM Credit Seminar4. SIDC-CASI Sri Conference 2025: Shaping the future of ASEAN business in sustainability (without Immersive Learning Journey5. Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG</td></tr></tbody></table>	Directors	Seminar / Conference / Workshop	Aun Siew Kuan	<ol style="list-style-type: none">1. Knowledge Sharing Session (1) Practical Insights to Scope 1 & 2 Emissions2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)3. RAM Credit Seminar4. SIDC-CASI Sri Conference 2025: Shaping the future of ASEAN business in sustainability (without Immersive Learning Journey5. Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
Directors	Seminar / Conference / Workshop					
Aun Siew Kuan	<ol style="list-style-type: none">1. Knowledge Sharing Session (1) Practical Insights to Scope 1 & 2 Emissions2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)3. RAM Credit Seminar4. SIDC-CASI Sri Conference 2025: Shaping the future of ASEAN business in sustainability (without Immersive Learning Journey5. Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG					

	Ir. Abdul Rahman Bin Adam	1. Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
	Farah Shireen Binti Mohamed Said	1. Recent Amendments to the Personal Data Protection Act 2010 & Its Impact Personal Data Management, Security and Transfers 2. Advocacy Session on Corporate Disclosure briefing by Company Secretary on update on listing requirement/ MCCG
	<p>In addition to the above, members of the ARMC would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretary during the ARMC meetings.</p> <p>The ARMC will on continuing basis evaluate and determine the training needs of each member of the ARMC, particularly on relevant new law and regulations and essential practices for effective corporate and sustainability governance and risk management to enable the members of the ARMC to effectively discharge their duties.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is fully aware of its overall responsibility of continually maintaining a sound system of risk management and internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Group's assets. The risk management and internal control system is designed to identify the risks to which the Group is exposed and mitigate the potential impacts thereof to meet the particular needs of the Group.</p> <p>The Group has also appointed an established external professional internal audit firm namely Eco Asia Governance Advisory Sdn. Bhd., who reports directly to the ARMC and assist the ARMC in reviewing the effectiveness of the risk management and internal control system whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.</p> <p>As an effort to enhance the system of risk management and internal control, the Board together with the ARMC and Internal Auditors, will undertake to review the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the ARMC and the Board to strengthen and improve current management and operating style in pursuit of best practices.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	Information on the Group's risk management and internal control is presented in the Statement on Risk Management and Internal Control contained in the Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The ARMC, comprising all Independent Non-Executive Directors is tasked to assist the Board that the Group's risk management and internal system are adequate and effective.</p> <p>The ARMC draws comfort from the outsourced Internal Auditors and the External Auditors to provide independent assurance of the adequacy and effectiveness of the Group's risk management and internal control system beside obtaining assurance from the Management.</p> <p>The Terms of Reference of ARMC is available at the Company website https://exp.com.my/corporate-governance.</p>

Intended Outcome

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

Practice 11.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Group has appointed an established external professional internal audit firm namely Eco Asia Governance Advisory Sdn. Bhd., who reports directly to the ARMC and assist the ARMC in reviewing the effectiveness of the risk management internal control system whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. The Internal Auditors provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC on the adequacy and effectiveness of policies and procedures implemented.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Group’s internal audit function is carried out by an outsourced internal audit firm namely Eco Asia Governance Advisory Sdn. Bhd., headed by its Head of Internal Audit & Sustainability Department, Ms. Janeeta Salim who is supported by a team of 11 personnel. She is an Associate Member of Institute of Internal Auditors Malaysia and Bachelor of Accountancy holder with 15 years of experience in internal audit, risk management and corporate governance advisory. The number of staff deployed for the internal audit reviews ranged from two (2) to three (3) personnel per visit.</p> <p>For the FYE 2025, the Internal Auditors affirmed to the ARMC that in relation to the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independence.</p> <p>The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF).</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>In maintaining its commitment to effective communication with shareholders, the Group has established the Stakeholder Communication Policy and adopted the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.</p> <p>The Board also observes the Corporate Disclosure Guide issued by Bursa Securities which is calibrated in line with the disclosure requirements as stipulated in the Listing Requirements, and setting out the protocols for disclosing material information to shareholders and investing public.</p> <p>The practice of disclosure of information is not established just to comply with the Listing Requirements, but also to adopt the best practices recommended in the MCCG with regard to strengthening engagement and effective communication with shareholders.</p> <p>The Stakeholder Communication Policy is available at the Company websites, https://exp.com.my/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	The Board is aware and in full support of effective shareholders' participation at the AGM. The Notice of 3 rd AGM to be held on 3 June 2026 is issued on 29 April 2026, which is at least 28 days prior to the date of the 3 rd AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.2

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company was listed on 24 September 2025 on the ACE Market of Bursa Securities and is scheduled to convene its 3rd AGM on 3 June 2026, being the Company’s first AGM after its listing.</p> <p>All Directors are committed to comply with this Practice 13.2 whereby all Directors shall endeavour to attend the forthcoming 3rd AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The forthcoming 3rd AGM of the Company will be held at Wyndham Acmar Klang Hotel, AR 1, Level M, No. 1-G-1, Jalan Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor. This venue is easily accessible as it is familiar to most shareholders of the Company. The Board shall ensures that the AGM will convene at a venue which is easily accessible.</p> <p>The Board has opted for a physical platform for a better engagement with shareholders as it allows better flow of two-way communication at 3rd AGM.</p> <p>Timely and adequate notice of meeting was given to all shareholders and shareholders who were unable to attend the 3rd AGM were allowed to appoint their proxy to attend, participate, speak and to vote at the AGM in their stead.</p> <p>The Company will adopt manual voting for the conduct of polls on all the resolutions set out in the Agenda of the 3rd AGM and the shareholders and proxies may submit their hard copy poll form to the poll administrator within the prescribed timeline. In addition, an independent scrutineer will be appointed to verify and validate the votes casted at the 3rd AGM.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.4

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Chairman of the Board has always been cognisant of the importance in ensuring the General Meeting supports meaningful engagement between the Board, management and shareholders. The Chairman of the Board has encouraged and reminded all the Directors to be present at the forthcoming 3rd AGM to provide responses to the questions posed by the shareholders.</p> <p>Throughout the forthcoming 3rd AGM, the Chairman shall ensure that the shareholders will be given with ample and sufficient opportunity to pose their queries and all the questions are answered.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.5

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

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Board is aware and in full support of effective shareholders' participation at the 3 rd AGM. The minutes of 3 rd AGM will be uploaded to the Company's website no later than 30 business days after the conclusion of the 3 rd AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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