

CORPORATE GOVERNANCE REPORT

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STOCK CODE : 7773
COMPANY NAME : EP Manufacturing Bhd
FINANCIAL YEAR : 31 December 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 PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is responsible for the overall corporate governance, strategic direction, formulation of policies and overseeing the business of EPMB and its subsidiaries ("the Group"). The Board leads and oversees the business and affairs of the Group, ensure necessary resources are in place in enhancing long term shareholders' value and sustaining the stakeholders' interests.</p> <p>There is a clear division of responsibilities between the Executive Chairman, Executive Director, Group Chief Executive Officer.</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 chaired by Encik Hamidon Bin Abdullah, the Executive Chairman. The Executive Chairman is responsible for setting the strategic, mission and lead the Group towards the goals. The Chairman presides and ensures orderly and effective conduct of Board meetings and members meetings. Together with the Executive Directors, the Executive Chairman plays a key role in overseeing the overall operational effectiveness and the implementation of corporate strategies and decisions made by the Board.</p> <p>In line with the MCGG, the Executive Chairman is not a member of the Audit and Risk Management Committee, Nomination Committee, or Remuneration Committee.</p> <p>The responsibilities of Executive Chairman have been clearly specified in the Board Charter.</p> <ul style="list-style-type: none">(a) Leads the Board and ensure effective performance of the Board;(b) Leads the Board Meetings and discussions;(c) Ensure provision of accurate, timely and clear information to Directors for effective conduct of board meetings;(d) Ensure effective communication with shareholders and relevant stakeholders and ensure that their views are communicated to the Board as a whole;(e) Facilitating effective contribution of Non-Executive Directors and ensuring constructive discussions at board meetings;(f) Setting agenda for board meetings with the Company Secretary and ensures all relevant issues are on the agenda;(g) Facilitate regular evaluation of performance of board members, its committees and individual Directors;(h) To ensure that the followings are carried out at board meetings:-<ul style="list-style-type: none">• All directors are properly briefed on issues arising at board meetings.• There is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations.• Allow every board resolution to be voted on and to ensure the will of the majority prevails.

	<ul style="list-style-type: none"> • Chairman to cast his votes in accordance with the prescribed Constitution of the Company. (i) Implement and execute policies, strategies and decisions approved by the Board and accountable for the results and performance; (j) Ensure performing financial management practices at high level of integrity and business dealings are carried out in an ethical manner in compliance with the laws and regulations; (k) Managing the interface between Board and Management; (l) Leading the Board in establishing and monitoring good 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

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	:	The positions of Chairman and Group Chief Executive Officer are held by different individuals.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 1.4

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

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Executive Chairman of the Board is not a member of the Audit And Risk Management Committee (" ARMC "), Nomination Committee (" NC ") and Remuneration Committee (" RC ").
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by 2 qualified Company Secretaries.</p> <p>All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.</p> <p>Additionally, the Company Secretaries constantly advise and update on corporate governance matters and compliance with key regulations, including the Listing Requirements, the Capital Markets and Services Act 2007, the Companies Act 2016, Malaysian Code on Corporate Governance, Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613) and any other relevant update of Rules and Regulations. They also assist in the preparation and conduct of Board meetings, Board Committee meetings, and General Meetings.</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>The Board meeting agenda and meeting papers are distributed 7 days prior to the meetings of the Board to ensure that Directors have sufficient time to deliberate the matters and effective discussion at the meetings. The Board members are supplied with full and timely information to enable them to discharge their duties.</p> <p>The proceedings and resolutions reached at each Board meeting are recorded in the Minutes Book kept at the registered office.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 2.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter provides guidance in respect of the Board's roles and responsibilities as well as the practices and procedures to be applied by the Board and its committees in discharging their duties effectively.</p> <p>The Board Charter is periodically reviewed by the Board and updated in accordance with the needs of the Company to ensure that it remains consistent with the Board's objectives, current laws and practices.</p> <p>The Board Charter is published on the Company's website at www.epmb.com.my.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised a Code of Conduct and Ethics, available at www.epmb.com.my.</p> <p>The Code of Conduct and Ethics setting out the standard of conduct expected from Directors and Senior Management. The Code of Conduct and Ethics relies on principle in relation to honesty, integrity, professionalism, independence, accountability, responsibility, transparency and fairness, competence and confidentiality which are embedded into the Group's business operations and corporate culture.</p> <p>The Board has reviewed the Code of Conduct and Ethics periodically to ensure it remains relevant and appropriate.</p> <p>The Code of Conduct and Ethics for employees promotes integrity and ethical behaviour in all aspects of the Company's operations and also set out the prohibited activities and the action taken on any improper conduct.</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 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 which provides an avenue for employees and other stakeholders (shareholders, suppliers, customers, partners and business associates) to raise genuine concerns of any unethical behaviour, misconduct, violation of code of conduct, malpractice, or non-compliance of policies at the earliest opportunity, in good faith and in accordance with clear procedural guidelines so that issues could be addressed to the appropriate person and proper course of actions could be taken, and also to protect such employees and other stakeholders who report such allegations.</p> <p>Any concern/report from employees should be raised with his immediate superior. If the above is not possible or appropriate for any reasons, then the concern should be reported to the Independent Non Executive Director and/or the outsourced Internal Auditor. Investigation report and proposed course of action shall be reported to ARMC for deliberation and decision.</p> <p>The Company provides assurance that the whistleblower will be protected from any retaliation or adverse impact on his employment or relationship with the Group, provided that the report is made in good faith and without malice.</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>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.</p> <p>The Board ensures the strategic plan for the Group supports long term value creation and sustainability. Business units are guided by a framework which have developed for a strategic push forwards driving sustainable business growth.</p> <p>In line with the recommendation of the MCCG, the Board takes into consideration the Company's performance in managing material sustainability risks.</p> <p>The Board reviews the Risk Register quarterly including Strategic Risk to mitigate risks and maintain sustainability and competitiveness of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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 Board is committed to transparent and timely communication with shareholders and stakeholders, ensuring that sustainability remains a core strategic priority for the Group.</p> <p>To enhance stakeholder engagement, the Group employs diverse communication channels to gather feedback and foster meaningful collaboration. Recognizing the critical role of five key stakeholder groups, shareholders & investors, government & regulators, customers, suppliers, and employees in our value creation process, we integrate sustainability into our decision-making to ensure long-term success.</p> <p>Governance, Economic, Environmental, and Social (GEES) risks and opportunities are carefully integrated into business strategies, reflecting their growing importance in stakeholder considerations. The Group places significant emphasis on key sustainability pillars, including occupational health and safety, energy efficiency, environmental management, social participation, operational excellence, waste reduction, continuous learning, intellectual growth, and proactive risk mitigation.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	The Board proactively initiates discussion of changes in environment, progress and performance. The Group Chief Executive Officer updates the Risk Register of the Group in quarterly board meetings. They have put in place risk control action to monitor and mitigate risks.
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	:	Company’s Group Human Resource Senior Manager together with NC review on yearly basis the performance of the Board and senior management in addressing the Company’s material sustainability risks and opportunities.	
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 :	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 5.1

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 Nomination Committee (“NC”) undertakes an annual review of the Board’s composition, considering the required mix of skills, experience, diversity, and the suitability of individual directors. This review also covers the effectiveness of the Board as a whole, the performance of Board Committees, and the contributions of each individual director. Furthermore, the Committee evaluates the term of office and performance of the Audit and Risk Management Committee and NC members. The respective member will abstain from deliberation evaluation in regard to his/her interest.</p> <p>The Committee annually assesses the tenure, independence, and re-election of each director, ensuring alignment with the company’s Fit and Proper Policy. This evaluation is based on the director’s performance, contribution to the Board, and overall effectiveness, going beyond the policy criteria to ensure the highest standards of 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 consists of seven (7) members comprising the Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.</p> <p>The Board is mindful of the requirement of MCCG for non-large companies that at least half of the Board comprises independent directors.</p> <p>The Board comprises of business entrepreneurs and professionals drawn from various backgrounds, with a diverse range of know-how, experiences and knowledge; provides the relevant skills, expertise and experience for making sound investment decisions and manage the Group's business operations. With the diversified and vast experiences of the board members, the Board is competent to discharge its duties and responsibilities and safeguard shareholders' value.</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 5.3

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	:	One Independent Non-Executive Director has served the Company for a cumulative period exceeding nine years. Tan Sri Datuk Hussin Bin Haji Ismail, who has served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years will be subject to two-tier voting at the upcoming 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

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	:	Appointment of the Board and Key Management Personnel are based on merit, diversity of skill, experience, age, background, gender, ethnicity, fit and proper criteria, and their commitment and contribution to the Group. The Board had adopted the Directors' Fit and Proper Policy which serve as guidance for the nomination, assessment and re-election of Board members.
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 ('NC") should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board/ management/ major shareholders refer from their own and independent sources in relation to appointment of certain independent directors and then recommend to the NC.</p> <p>The NC will evaluate the skills, competency, knowledge, social exposure, experience, professionalism, integrity, fit and proper criteria of new candidates, and then recommend to the Board for approval.</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 5.7

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 Company shall release immediate announcement on the appointment of Directors, which are available at the Bursa Securities' and the Company's website.</p> <p>The profiles of all the Directors are set out in the Annual Report 2025, which include their age, gender, date of appointment, directorships in other public companies and public listed companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The NC annually reviews and assess the tenure of each Director and re-election of Director. The review and assessment shall be based on fit and proper criteria, contingent on satisfactory evaluation of the Director's performance and contribution to the Board, and will not limited to the Directors' Fit and Proper Policy.</p> <p>The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next Annual General Meeting ("AGM").</p> <p>The NC has evaluated the skills, competency, knowledge, social exposure, experience, professionalism and integrity of new Directors and recommended to the Board for approval.</p> <p>The Board has provided a statement on their assessment and recommendation for those Directors subject to retire and re-election at the forthcoming AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

The Nominating Committee (“NC”) is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by the Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Currently, the Board has one (1) female Director, representing 14.3% of the total Board members.	
		The Board through the NC will review the Board diversity, includes the gender, at the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group. The NC is mindful on gender diversity and will consider for future vacant post.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the recommendations of the MCCG on the establishment of a gender diversity policy.</p> <p>The Company acknowledges the importance on gender diversity, ethnicity and age. The Board composition is based on merits, experience and their commitment and contribution to the Group. The Board will continue to provide equal opportunity to competent candidates.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 6.1

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

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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC assists the Board to conduct annual review on the Board, Board Committees and individual Directors.</p> <p>The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities.</p> <p>For Individual (Self & Peer) Assessment, the assessment criteria include integrity and ethics, governance, strategic perspective, adding value, judgment and decision-making, teamwork, communication and commitment.</p> <p>The results of the evaluation and recommendations were tabled to the Board for deliberation.</p> <p>In respect of the assessment for the financial year ended 31 December 2025 which was internally facilitated, the NC and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director are satisfactory.</p> <p>The Board was also satisfied that the Board composition in terms of size, expertise, diversity and the balance between Executive Directors and Independent Directors and mix of skills was adequate.</p> <p>The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next 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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The RC will refer to the similar business industry on the remuneration range, take into account the operational size, profitability and performance achievement.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied	
Explanation on application of the practice	:	The remuneration for all Executive Directors and Senior Management shall be recommended by the RC for the Board's approval with the Directors concerned abstaining from deliberations and voting on decisions in respect of their individual remuneration. The Terms of Reference of RC is available at www.epmb.com.my .	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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	:	Detailed disclosure on named basis for remuneration of the Non-Executive and Executive Directors and its breakdown are disclosed in the Company's Annual Report 2025.

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	:	Details of the remuneration of the top three senior management on named basis is not disclosed due to confidentiality and sensitivity reasons and such disclosure may be prejudicial to the Company's business interests.	
<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 8.3 - 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 and Risk Management Committee.

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

Practice 9.1

The Chairman of the Audit and Riks Management Committee ("ARMC") is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the ARMC is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit and Risk Management Committee.

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

Practice 9.2

The Audit and Risk Management 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 and Risk Management Committee.

Application	:	Applied	
Explanation on application of the practice	:	The ARMC's Terms of Reference align with the cooling-off period of at least three years required for the appointment of a former audit partner as an ARMC member.	
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 and Risk Management Committee.

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

Practice 9.3

The Audit and Risk Management 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 ARMC is responsible for assessing the capabilities and independence of the external auditor and to make recommendations to the Board on their appointment, re-appointment or termination of the external auditor.</p> <p>Under ARMC's Terms of Reference, the ARMC reviews the suitability, objectivity and independence of the external auditor of the Company annually. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, quality of work, audit fees and the adequacy of resources.</p> <p>During the financial year, the ARMC met with the external auditor in the absence of Management and Executive Directors.</p> <p>The ARMC has monitored and reviewed the performance and independence of the external auditors and is satisfied that the external auditor has been independent through the conduct of the audit process and the audit services rendered have met the quality expected by the Committee.</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 an effective and independent Audit and Risk Management Committee.

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

Practice 9.4 - Step Up

The Audit and Risk Management Committee should comprise solely of Independent Directors.

Application	:	Departure
Explanation on adoption of the practice	:	The ARMC comprised of majority Independent Directors.

Intended Outcome

There is an effective and independent Audit and Risk Management Committee.

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

Practice 9.5

Collectively, the Audit and Risk Management 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 and Risk Management Committee including the financial reporting process.

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

Application	:	Applied
Explanation on application of the practice	:	<p>The ARMC members are financially literate and are able to understand matters under the purview of the ARMC including the financial reporting process.</p> <p>Mr. Ho Pui Hold is a Fellow member of the Association of Chartered Certified Accountants (ACCA), member of the Malaysian Institute of Accountants (MIA) and Member of Asean Chartered Professional Accountants (ACPA), which fulfils the requirement under paragraph 15.09(1)(c)(i) and paragraph 7.1 of Practice Note 13 of Listing Requirements.</p> <p>The ARMC would continue their professional development to equip their knowledge by attending the relevant seminar to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges its responsibility for maintaining a sound system of internal control and risk management. The Group has established a process to identify, evaluate and manage significant risks which has been integrated and embedded into the Group operations and is continuously reviewing its adequacy and effectiveness to safeguard shareholders' investment and Group assets.</p> <p>The Group outsourced its internal audit function to a professional service provider. The internal auditors conducted independent audit on the departments and functions within the Group and reported their findings to the ARMC during its quarterly meetings.</p> <p>A Statement on Risk Management and Internal Control of the Group is set out 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

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

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

Practice 10.2

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

Application	:	Applied	
Explanation on application of the practice	:	The key features of the Risk Management and Internal Control Framework are set out 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	:	The ARMC comprises three (3) members, two are Independent Non-Executive Directors and one Non-Independent Non-Executive Director.

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 and Risk Management Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The internal audit function is outsourced to an independent profession firm. The internal audit reports directly to the ARMC.</p> <p>The ARMC reviewed the adequacy of the resources of the outsourced internal audit function and its scope of work to ensure its ability to function adequately and independently.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 11.2

The board should disclose–

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

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to an independent professional service provider, Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), where Sterling is a corporate member of IIAM, The Institute of Internal Auditors Malaysia. Sterling reports directly to the ARMC.</p> <p>The internal audits are free from any relationships or conflict of interest that could impair their objectivity and independence in conducting their internal audit function.</p> <p>During the financial year, the Internal Auditors reviewed and evaluated the internal control environment of various operating functions within the Group in accordance with the audit plan and communicated their finding together with recommendations for the Management’s corrective and improvement actions. The Internal Auditors reported to the ARMC on quarterly basis of their audit findings, recommendations, management responses and any follow-up matter from previous reports.</p> <p>A statement on Internal Audit Function and Processes is disclosed in the Statement on Risk management and Internal Control of the Company’s Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board maintains an effective communications policy that enables both the Board and the management to communicate effectively with its shareholders and the public.</p> <p>At the Company's AGM, Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, the Chairman, Senior Management and External Auditors were in attendance to respond to the shareholders' queries.</p> <p>The General Meeting serves as an important means for shareholders' communication.</p> <p>At each AGM, the Board presents the performance and progress of the Group and provides shareholders with the opportunity to raise questions and seek clarification on the business activities pertaining to the Group, agenda of the meetings and its proposed resolutions. The Chairman and the Board will respond to the questions raised by the shareholders during the AGM. The Board ensures each item of special business included in the notice will be accompanied by an explanatory statement on the effects of the proposed resolution.</p> <p>The Group also maintains and updates its corporate website on those corporate information and announcements released.</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 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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company serves 21 days' notice for the forthcoming Annual General Meeting. This is in compliance with the provision of the Companies Act 2016.	
<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>At last AGM in 2025, the Board interacted and engaged meaningfully with the shareholders and proxies.</p> <p>The AGM Minutes and questions and answers were uploaded in the Company's website.</p> <p>At the forthcoming AGM, the Company's Directors, Senior Management and external auditors will be attending the AGM and will allocate sufficient time for questions and answers session.</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	:	Applied
Explanation on application of the practice	:	
Explanation for departure	:	For the 29th AGM in 2025, the Company held physical Meeting, allowing voting in absentia via appointment of proxy/proxies.
		Shareholders are entitled to appoint proxy(ies) to attend and vote on their behalf in their absence, in line with the Listing Requirements which mandate poll voting for all resolutions set out in the notice of general meetings. The AGM is a platform to engage with shareholders/proxies. The participants are allowed to raised questions in relate to the Company's financial and operational performance.
<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 is proactive and ensure the Company's general meetings support meaningful engagement between the Board, senior management and shareholders.</p> <p>The shareholders were allowed to submit their questions before the start or during the general meeting.</p> <p>The general meetings allocated sufficient time for shareholders to pose their questions, the Chairman and management to respond accordingly.</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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	The 30th Annual General Meeting (“AGM”) will be convened on 25 May 2026 physically.
	The Company provides many modes to receive proxy for those who are unable to attend physically. The meeting venue is easily access with ample parking for participants. The Board will interact and allocate sufficient time for participants to raise questions.
<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 :	Minutes of our general meetings for the financial year 2025 were uploaded onto our website within 30 business days after the general meetings. The Board will ensure that minutes of the general meeting be circulated to shareholders no later than 30 business days after the general meeting moving forward.
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
PERSUANT 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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