

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0282
COMPANY NAME : KGW Group Berhad
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("the Board") of KGW Group Berhad ("KGW" or "the Company") remains cognisant of its accountability to shareholders and stakeholders in creating sustainable value and safeguarding the long-term success of the Company's business. The Board is also committed to providing effective leadership in discharging its duties and responsibilities in the best interests of the Company and its subsidiaries ("the Group").</p> <p>In carrying out its roles and responsibilities, the Board is guided by the Board Charter and assumes, amongst others, the following principal responsibilities: -</p> <ul style="list-style-type: none">(i) reviewing and approving the Group's corporate plan and strategic initiatives, including corporate restructuring or streamlining and strategic alliances, ensuring they support long-term value creation while considering economic, environmental and social factors underpinning sustainability;(ii) overseeing the conduct of the Group's business operations and the performance of the Management;(iii) promoting a strong corporate governance culture within the Group that reinforces ethical, prudent and professional conduct;(iv) assessing and identifying the principal risks, risk appetite and ensuring the effective implementation of risk management framework;(v) reviewing the reports from each Board Committee and deliberating on their recommendations as well as reviewing the composition, performance and effectiveness of the Board Committees;(vi) reviewing the adequacy and integrity of the Group's internal control systems and management information systems; and(vii) ensuring the integrity of the Company's financial and non-financial reporting.

	<p>Further details of the Board’s roles and responsibilities are set out in Item 4.1 of the Board Charter.</p> <p>To enhance the Board’s efficiency and effectiveness in discharging its responsibilities, the Board has delegated certain responsibilities and authorities to the Board Committees.</p> <p>Following the restructuring of the Board Committees on 26 February 2025, the Company has three (3) Board Committees, namely the Audit Committee (“AC”), Sustainability and Risk Management Committee (“SRMC”) and Nomination and Remuneration Committee (“NRC”). The roles and responsibilities of each Board Committee are clearly stated in their respective Terms of Reference.</p> <p>The Board Charter and Terms of Reference for each Board Committee are publicly available on the Company’s website at www.kgwlogistics.com/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>Tengku Faizwa Binti Tengku Razif serves as the Independent Non-Executive Chairperson of KGW and leads the Board in carrying out its oversight and stewardship role. In this capacity, she plays a key part in promoting the Board's overall effectiveness and fostering a strong culture of good corporate governance throughout the Company.</p> <p>In accordance with Item 4.4 of the Board Charter, the key roles and responsibilities of the Board Chairperson include, amongst others, the following:</p> <ul style="list-style-type: none">(i) providing leadership to the Board and overseeing its effective discharge of duties and responsibilities;(ii) setting the agenda for Board meetings and ensuring the Board members receive complete and accurate information in a timely manner;(iii) leading discussions in Board meetings and ensuring the efficient and effective conduct of the Board's functions and meetings;(iv) leading the Board in the adoption and implementation of good corporate governance practices in the Company;(v) facilitating the effective contribution of all Board members in Board meetings;(vi) promoting constructive and respectful relations among the Directors and managing the interface between the Board and the Management;(vii) encouraging active participation and allowing the expression of dissenting views in Board meetings; and(viii) ensuring effective communication with shareholders and stakeholders and conveying their views to the Board as a whole. <p>The roles and responsibilities of the Board Chairperson are fully disclosed set out in the Board Charter, which is available on the Company's website at www.kgwlogistics.com/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

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>In KGW, the position of the Board Chairperson is held by Tengku Faizwa Binti Tengku Razif, while Dato' Roger Wong Ken Hong serves as the Managing Director of the Company.</p> <p>The roles of the Board Chairperson and the Managing Director are distinct and clearly demarcated, with separate responsibilities and accountabilities. This clear division is intended to ensure an appropriate balance of power and authority, support objective Board oversight of Management, and to avoid unfettered decision-making power.</p> <p>The Board Chairperson is primarily responsible for providing leadership to the Board, promoting sound corporate governance practices, enhancing the Board's overall effectiveness, and facilitating an effective working relationship between the Board and Management. On the other hand, the Managing Director is entrusted with the responsibility of implementing the strategies and policies approved by the Board, overseeing the Group's operational performance, and managing the day-to-day business affairs of the Group.</p> <p>The respective roles and responsibilities of the Board Chairperson and the Managing Director are set out in the Board Charter, which is available on the Company's website at www.kgwlogistics.com/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

<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 :	Departure
Explanation on application of the practice :	
Explanation for departure :	<p>Our Board Chairperson, Tengku Faizwa Binti Tengku Razif, is not a member of the AC, NRC or SRMC of the Company, but she was invited to attend the meetings of these Board Committees held during the financial year ended 31 December 2025 ("FYE 2025").</p> <p>Her attendance was for the limited purpose of providing observations, recommendations and input on matters discussed at these Board Committees' meetings. She did not take part in the decision-making process nor participate in the approval of any resolutions, proposals or other matters tabled at the respective Board Committees' meetings. Therefore, her attendance did not compromise the objectivity of the Board Committees.</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

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>Throughout the FYE 2025, the Board was supported by two (2) suitably qualified and competent Company Secretaries. At the beginning of the financial year, Mr. Chang Ngee Chuang and Ms. Thong Pui Yee served as the Company Secretaries of the Company. On 27 August 2025, Mr. Jeremy Tai Yung Wei was appointed in place of Mr. Chang Ngee Chuang. All Company Secretaries are qualified to act in such capacity pursuant to Section 235(2)(a) of the Companies Act 2016 ("the Act") and are members of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Company Secretaries play an important role in supporting the Board in the discharge of its responsibilities by providing guidance on corporate administration, governance matters and meeting procedures to facilitate the effective functioning of the Board and Board Committees. In carrying out their duties, the Company Secretaries also advise the Directors on their fiduciary and statutory obligations, as well as the Company's compliance requirements under the Act, the Company's Constitution, the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Malaysian Code on Corporate Governance ("MCCG"), the Company's internal policies and other pertinent regulations governing the Company, including guiding the Board towards the necessary compliances.</p> <p>During the FYE 2025, the Company Secretaries had carried out their duties and responsibilities, which included, amongst others, the following:</p> <ul style="list-style-type: none">(i) maintaining and updating the Group's statutory records, registers and documents in an orderly and proper manner;(ii) coordinating and facilitating meetings of the Board and Board Committees in a timely and efficient manner;(iii) supporting effective communication within the Board and ensuring the proper documentation of deliberations, minutes and resolutions of the Board and Board Committees ;(iv) advising the Board and Board Committees on their roles and responsibilities, corporate disclosures obligations, as well as procedural and regulatory requirements, to assist the Board and

	<p>Board Committees in discharging their fiduciary duties and responsibilities in line with good corporate governance practices;</p> <p>(v) ensuring that all appointments of Directors are properly undertaken in compliance with the relevant legal and regulatory requirements;</p> <p>(vi) assisting the Board in the convening and administration of general meetings; and</p> <p>(vii) keeping the Board informed of relevant developments in corporate governance and regulatory expectations, and assisting the Board in the application of governance practices appropriate to the needs of the Company and its stakeholders.</p> <p>The Company Secretaries have continuously undertaken and will continue to undertake relevant professional development programmes to keep themselves abreast of developments in company law, capital market regulations, corporate governance practices and other relevant regulatory changes.</p> <p>The Board is satisfied with the performance, competency, reliability and support rendered by the Company Secretaries in assisting the Board to effectively discharge its functions and duties throughout FYE 2025.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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>At KGW, all Board and Board Committees meetings are scheduled in advance to allow Directors ample time to plan for their attendance. For this purpose, an annual meeting calendar is prepared and circulated to all Directors before the beginning of each calendar year.</p> <p>To facilitate an efficient and timely flow of information, notices of meetings, together with the agenda and relevant meeting papers, are generally circulated to the Directors at least seven (7) days before each scheduled meeting. The timely circulation of such materials enables Directors to review the matters for deliberation in advance, give due consideration to the issues raised, and where necessary, seek further clarification or additional information from Management before the meeting to facilitate informed decision-making.</p> <p>Furthermore, to preserve objectivity and encourage independent deliberation, Board meetings and Board Committees meetings are conducted separately. The Board and the respective Board Committees may at their discretion, invite Senior Management or external parties to attend the meetings to provide input, clarification or expert advice on matters under consideration.</p> <p>All Directors have full and unrestricted access to all information related to the Group's business and affairs, as well as timely access to the advice and services of the Company Secretaries and the Management, facilitating effective decision making and discharge of duties.</p> <p>The Company Secretaries record the proceedings of Board and Board Committees meetings, including the key matters deliberated, decisions made and conclusions reached. The meeting minutes are then circulated to the Board on a timely basis for review and are subsequently tabled for confirmation at the following meeting. The duly confirmed and endorsed meeting minutes are properly maintained by the Company Secretaries at the registered office.</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

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 established a Board Charter that serves as a formal guidance for Directors to effectively fulfil their duties and responsibilities. The Board Charter outlines the roles, responsibilities, and operating procedures of the Board, ensuring clarity in authority of the Board, Board Committees and individual Directors.</p> <p>The Board Charter has outlined the following areas: -</p> <ul style="list-style-type: none">(i) Board structure;(ii) Roles and responsibilities of the Board, Chairman of the Board, Managing Director, Executive Directors, Independent Directors, Senior Independent Non-Executive Directors and Board Committees;(iii) Matters reserved for the Board;(iv) Board diversity policy;(v) Disqualification or vacation of office;(vi) Directors' training;(vii) Company secretary;(viii) Board meetings and procedures;(ix) Access to information and independent professional advice;(x) Remuneration of Directors and Senior Management;(xi) Code of Conduct and Ethics;(xii) Anti-Bribery and Corruption Policy;(xiii) Whistleblowing Policy and Procedures;(xiv) Relationship with shareholders and stakeholders;(xv) Accountability and audit; and(xvi) Review of Board Charter. <p>The Board Charter was last reviewed by the Board on 26 February 2025 and is subject to periodic review, and updated as needed, to ensure that it is updated in accordance with current legal requirements and to reaffirm its relevance in terms of objectives and responsibilities.</p> <p>The Board Charter is publicly available on the Company's website at www.kgwlogistics.com/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 Board has formalised a Code of Conduct and Ethics ("the Code") to promote high standards of ethical behaviour and good governance throughout the Group. Professionalism, honesty and integrity form the core values that guide the Group's conduct and business dealings, and these values are expected to be upheld in all interactions and activities undertaken by the Group.</p> <p>The Code outlines comprehensive policies and procedures to guide ethical conduct, which cover the following key areas: -</p> <table border="1" data-bbox="560 1182 1407 1686"> <thead> <tr> <th data-bbox="560 1182 983 1220">Employee Conduct</th> <th data-bbox="983 1182 1407 1220">Business Conduct</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1220 983 1686"> <ul style="list-style-type: none"> ➤ Discrimination and harassment ➤ Fraud, protection/proper use of the Group's assets and accounting records ➤ Outside directorship and other outside activities ➤ Conflict of interest ➤ Confidential information ➤ Insider trading ➤ Family and relative of employees </td> <td data-bbox="983 1220 1407 1686"> <ul style="list-style-type: none"> ➤ Dealing with external parties ➤ Money laundering ➤ Bribery and corruption ➤ Gifts, entertainment and others </td> </tr> </tbody> </table> <p>By adhering to these principles outlined in the Code, the Group aims to foster a workplace culture that not only meets regulatory requirements but also builds trust and enhances the Company's reputation among its stakeholders.</p> <p>The Code was last reviewed by the Board on 26 April 2024 and is subject to review by the Group at least once every three years to ensure that it remains relevant, effective and appropriate to the Group's operational and governance needs.</p>	Employee Conduct	Business Conduct	<ul style="list-style-type: none"> ➤ Discrimination and harassment ➤ Fraud, protection/proper use of the Group's assets and accounting records ➤ Outside directorship and other outside activities ➤ Conflict of interest ➤ Confidential information ➤ Insider trading ➤ Family and relative of employees 	<ul style="list-style-type: none"> ➤ Dealing with external parties ➤ Money laundering ➤ Bribery and corruption ➤ Gifts, entertainment and others
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	<p>Additionally, the Group has also adopted an Anti-Bribery and Corruption Policy (“ABC Policy”) in line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). Consistent with the Group’s zero-tolerance approach towards bribery and corruption in any form, the ABC Policy sets out the guiding principles and procedures for addressing, reporting and managing bribery- and corruption-related matters whenever they arise.</p> <p>Both the Code and ABC Policy are accessible on the Company’s website at www.kgwlogistics.com/corporate-governance/.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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 Group remains committed to conducting its business with the highest standards of ethics, integrity and accountability in its business operations. In support of this commitment, KGW has formalised and adopted a Whistleblowing Policy and Procedures, which outline clear procedures and reporting channels available to support the effective implementation of the Code and the ABC Policy in cases of any violations. This policy provides a secure avenue for Directors, officers, employees, stakeholders and members of the public to report genuine concerns regarding suspected or known misconduct, wrongdoing, corruption, fraud or abuse. It also provides protection to whistleblowers against discrimination, harassment, reprisals or retaliation.</p> <p>Where there is a reasonable basis to suspect that any malpractice or misconduct has occurred within the Group, whistleblowers are encouraged to report such concerns through the following secure channels:-</p> <p>(i) Whistle Blowing Form Whistleblowers may submit a Whistle Blowing Form via the web form available on the Company's website at www.kgwlogistics.com/anti-bribery-anti-corruption-and-whistle-blowing-policy.</p> <p>(ii) Email Reporting Whistleblowers may report directly to the Chairperson of the AC via the designated protected email at jslim48@yahoo.com.</p> <p>The Company is committed to preserving the confidentiality of whistleblowers and will take all reasonable measures to protect the whistleblowers from any discrimination, retaliation or harassment, provided that such report is made in good faith.</p> <p>The Whistleblowing Policy and Procedures is accessible on the Company's website at www.kgwlogistics.com/corporate-governance/.</p>

	During FYE 2025, the Board wishes to report that the Group has not received any whistleblower reports concerning relating to breaches of the Company's policies or applicable laws.	
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 4.1

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 recognises its overall responsibility in providing oversight of the Group's sustainability management, including setting the Group's sustainability direction and monitoring the implementation of its sustainability priorities, strategies and targets.</p> <p>To support the Group's aspiration of building a sustainable business, the Board has adopted a Sustainability Policy which serves as the guiding framework for the Group's sustainability efforts, focusing on six (6) key pillars, namely economic, supply chain, innovation and technology, environmental, social and governance. Through this framework, the Group aims to integrate sustainability and ethical considerations into its business conduct, operational management and decision-making processes, with the objective of promoting long-term value creation and contributing to sustainable development.</p> <p>While the Board holds ultimate responsibility for the Group's overall sustainability agenda, it has delegated the oversight and management of sustainability matters to the SRMC. In carrying out this role, the SRMC is supported by the Sustainability Working Committee ("SWC"), which comprises members of Key Senior Management. The SWC is responsible, amongst others, for the following:</p> <ul style="list-style-type: none">(a) undertaking the annual assessment of material sustainability matters;(b) monitoring the implementation of sustainability strategies and initiatives in the Group's daily business operations; and(c) reporting to and engaging with the SRMC on the progress of integrating sustainability strategies and initiatives into the Group's business operations on a periodical basis. <p>The material sustainability matters assessment is undertaken annually to identify and prioritise the material risks and opportunities of the Group related to economic, environmental, social and governance ("EESG") factors. This enables the Group to review the relevance of the</p>

	<p>existing material matters and identify any emerging matters that may be material to the Group during the financial year. During the FYE 2025, the Company has identified fifteen (15) material matters, which were ranked according to their significance to the Group and its stakeholders.</p> <p>Further information on the Group’s sustainability priorities, strategies and performance in addressing material sustainability-related risks and opportunities are set out in the Sustainability Statement in the Company’s Annual Report 2025.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

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 recognises the importance of maintaining regular engagement with both internal and external stakeholders in shaping the Group's sustainability strategies, priorities and targets. Such engagement enables the Board to gain a better understanding of the diverse interests, concerns and expectations of its stakeholders, while also obtaining meaningful input to support the Group’s strategic planning and ensure that its sustainability initiatives remain relevant, effective and aligned with stakeholder needs.</p> <p>The Company has identified seven (7) primary stakeholder groups which are government/regulators, shareholders/investors, customers, analyst/media, employees, suppliers/vendors and local communities.</p> <p>During the FYE 2025, the Company engaged with its internal stakeholders through a company retreat which included discussions on EESG matters aimed at raising sustainability awareness. In addition, the Company has provided disclosures on its stakeholder engagement activities, material matters assessment, sustainability strategies, targets and performance in the Sustainability Statement 2025, which forms part of the Annual Report 2025 and is made available to external stakeholders through the Company’s website. This reflects the Group’s commitment to transparency and accountability in its sustainability efforts, while enabling stakeholders to understand the integration of EESG factors into the Group’s operations.</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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Throughout FYE 2025, one third of our Board have attended training programmes related to sustainability matters, and a summary of the training attended by the Directors is set out in Section 5 of the Corporate Governance Overview Statement in Annual Report 2025.	
		<p>Although not all Directors attended sustainability-related training programmes during the financial year, the Board was updated by the SRMC on the Group’s risk management framework, internal controls and sustainability matters, including sustainability-related risks relevant to the Group’s operations.</p> <p>Apart from that, the Directors also keep themselves abreast with the sustainability matters relevant to the Group through the updates, industry news and publications issued by relevant authorities or organisations, engagement with external consultants and business associates as well as structured reading and/or deliberation during the Board meetings.</p> <p>The NRC will continue to identify and recommend sustainability-related training programmes for the Board to ensure that Directors remain updated on current developments and best practices in sustainability governance.</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

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

Practice 4.4

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

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The Board recognises that the formulation of sustainability targets requires due consideration to ensure that such targets are practical, achievable and appropriately aligned with the Company's long-term strategic aspirations.</p> <p>In discharging its responsibility for overseeing the Group's sustainability agenda, the Board, through the NRC, has developed and adopted a Board evaluation questionnaire to assess the Directors' knowledge, abilities, experience and effectiveness in addressing the Group's material sustainability-related risks and EESG matters. However, no performance assessment of the Key Senior Management was carried out during FYE 2025 in respect of their management of the Group's material sustainability matters.</p> <p>Based on the results of the Board performance evaluation for FYE 2025, the Board noted that the Company's EESG initiatives continued to be assessed positively, with the overall rating showing an improvement compared to the preceding financial year.</p> <p>The Company plans to extend its annual EESG or sustainability assessment to include Key Senior Management in future.</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

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>As outlined in the NRC's Terms of Reference, the NRC is responsible to undertake annual review of the Board and Board Committees in respect of their structure, size, tenure, directorships and composition, including the required mix of skills, experience, core competencies and diversity in terms of age, cultural background and gender within the boardroom.</p> <p>The NRC is further tasked with carrying out an annual assessment on the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director in discharging their responsibilities as a Board member.</p> <p>Based on the results of the annual Board assessment for FYE 2025, the NRC is satisfied that the current Board composition remains appropriate and that the Board collectively possesses the necessary mix of skills, experience and attributes to support the Group's business direction and continued growth.</p> <p>For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the Annual General Meeting ("AGM"), the NRC assesses the eligibility of each retiring Directors against the prescribed criteria set out in the Directors' Fit and Proper Policy, including character, integrity, experience, competence and time commitment. This assessment is undertaken together with the formal annual evaluation of each individual Director's performance for FYE 2025. This Directors' Fit and Proper Policy serves as a guide for the NRC and the Board in reviewing and assessing the candidates proposed for appointment as Directors as well as the retiring Directors who are seeking for re-election. This policy is available on the Company's website at www.kgwlogistics.com/corporate-governance/.</p> <p>The NRC conducted assessment of the following Directors who are due to retire by rotation at the forthcoming Fourth AGM and being eligible, have offered themselves for re-election pursuant to Clause 135 of the Company's Constitution:</p> <ul style="list-style-type: none">(a) Mr. Lean Sze Yau; and(b) Ms. Lee Li Choon.

	<p>Mr. Chow Enn Jie, who was appointed by the Board as an Executive Director of the Company on 31 January 2026, shall retire at the conclusion of the forthcoming Fourth AGM and being eligible, has offered himself for re-election in accordance with Clause 137 of the Company's Constitution.</p> <p>Upon review, the NRC was satisfied that the abovementioned retiring Directors continue to meet the fit and proper criteria and have performed effectively in the discharge of their duties. Accordingly, the NRC recommended their re-election to the Board for tabling to the shareholders for approval at the forthcoming Fourth AGM.</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 comprises experienced members from diverse professional and business backgrounds, bringing with them a broad spectrum of skills, knowledge and expertise to support the effective stewardship of the Group. Currently, the Board consists of six (6) members, of which four (4) of them are Independent Non-Executive Directors (“INED”), one (1) Managing Director and one (1) Executive Director. This composition complies with the requirement under Rule 15.02 of the AMLR that at least one-third (1/3) of the Board shall comprise independent directors.</p> <p>With INEDs making up more than half of the Board, the Board is able to maintain an appropriate balance of power and authority, thereby promoting objective deliberations, independent judgement and effective oversight in the decision-making process.</p> <p>The NRC conducts an annual assessment of the independence of each INED to ensure that they remain independent and objective in the discharge of their duties, as well as act in the best interest of the Company, the Group, shareholders and stakeholders.</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	:	<p>As of the date of this report, none of the INEDs has served on the Board of the Company for a cumulative term of more than nine (9) years. The tenure of each INED is as follows: -</p> <table border="1"><thead><tr><th>Directors</th><th>Appointment Date</th><th>3-5 Years</th></tr></thead><tbody><tr><td>Tengku Faizwa Binti Tengku Razif</td><td>24/9/2022</td><td>✓</td></tr><tr><td>Lim Joo Seng</td><td>24/9/2022</td><td>✓</td></tr><tr><td>Lee Li Choon</td><td>24/9/2022</td><td>✓</td></tr><tr><td>Lean Sze Yau</td><td>24/9/2022</td><td>✓</td></tr></tbody></table> <p>It is stipulated in the Board Charter that the tenure of an INED shall not exceed a cumulative term of nine (9) years. Upon reaching this tenure limit, the INED may continue to serve on the Board after being re-designated as a Non-Independent Director.</p> <p>In the event the Board intends to retain an INED beyond nine (9) years, the Board must provide justification and seek shareholders' approval on an annual basis through a two-tier voting process at AGM. Prior to making such recommendation, it is the NRC's responsibility to evaluate and recommend to the Board whether the continued appointment of the relevant INED is appropriate.</p>	Directors	Appointment Date	3-5 Years	Tengku Faizwa Binti Tengku Razif	24/9/2022	✓	Lim Joo Seng	24/9/2022	✓	Lee Li Choon	24/9/2022	✓	Lean Sze Yau	24/9/2022	✓
Directors	Appointment Date	3-5 Years															
Tengku Faizwa Binti Tengku Razif	24/9/2022	✓															
Lim Joo Seng	24/9/2022	✓															
Lee Li Choon	24/9/2022	✓															
Lean Sze Yau	24/9/2022	✓															
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>The Board acknowledges the value of fostering diversity at both Board and Senior Management levels, and is committed to maintaining an appropriate mix of skills, experience, age, gender, cultural background and ethnicity. A diverse leadership team brings broader perspectives and constructive insights, which support effective decision-making and the Group's long-term sustainable growth.</p> <p>The NRC is responsible for assessing and recommending suitable candidates to the Board for appointment as Directors of the Company. Guided by its Terms of Reference, the Directors' Fits and Proper Policy and the Gender Diversity Policy, the NRC evaluates the potential candidates based on the following criteria, among others: -</p> <ul style="list-style-type: none">• character and integrity, including probity, personal integrity, financial integrity and reputation;• experience and competence including qualifications, trainings, skills, expertise and experience and past performance or track record; and• time and commitment, including the ability to discharge the role having regard to other commitments and participation and contribution in the Board. <p>The Board, through the NRC, appoints its members and Key Senior Management through a formal and transparent selection process. Candidates are first considered and evaluated by the NRC, and if deemed suitable, the NRC will recommend the candidates to Board for consideration and approval. The Company Secretaries ensure that all appointments are properly documented. During the FYE 2025, there was no appointment of any new Director or Key Senior Management personnel within the Group. The appointment of Mr. Chow Enn Jie as Executive Director of the Company on 31 January 2026 was assessed by the NRC prior to its approval by the Board.</p> <p>The Board is satisfied with its current composition remains well-balanced and comprises individuals from diverse professional</p>

	<p>backgrounds, with the collective experience, expertise and competencies required to support the effective leadership of the Group. All the Directors have demonstrated commitment, integrity and dedication through their active participation in the Board and Board Committees meetings held during FYE 2025, as well as the Third AGM. Furthermore, none of the Directors of the Company holds more than five (5) directorships in public listed companies, thereby enabling each Director to devote sufficient time and attention to the discharge of their duties and responsibilities.</p> <p>The Directors' Fit and Proper Policy and the Gender Diversity Policy are made available on the Company's website at www.kgwlogistics.com/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

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>The NRC is responsible for the screening and selection process for the appointment of new Directors. In discharging this role, the NRC evaluates the suitability, qualifications and overall fit of prospective candidates through a formal and transparent process before recommending suitable candidates to the Board for appointment.</p> <p>In fulfilling its responsibilities, the NRC assesses the candidates based on various criteria, including individual suitability, considering mix of skills, functional knowledge, expertise, experience, character, integrity and any other commitments that could enhance and complement the Board composition.</p> <p>In sourcing potential candidates, the Board, through the NRC, shall consider independent sources, in addition to recommendations from existing Directors, Management and/or substantial shareholders of the Company, in order to identify suitably qualified individuals for appointment to the Board.</p> <p>During the FYE 2025, there were no new Directors appointed 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 NRC is in charge of carrying the formal assessment of individual Directors, Board and Board Committees on an annual basis. In addition, the NRC is responsible for identifying Directors who are due for retirement and eligible for re-election. Based on the outcome of the performance assessments, the NRC will make the appropriate recommendation to the Board on the re-election of the retiring Directors at the AGMs.</p> <p>Pursuant to Clauses 135 and 137 of the Company's Constitution, the following Directors ("Retiring Directors") are due for retirement and being eligible, have offered themselves for re-election at the forthcoming Fourth AGM: -</p> <ul style="list-style-type: none">(i) Mr. Lean Sze Yau;(ii) Ms. Lee Li Choon; and(iii) Mr. Chow Enn Jie. <p>The Retiring Directors were assessed by the NRC through the individual Director evaluation and fit and proper assessment. Based on the results of these assessments, the NRC and the Board were satisfied with the performance and contribution of the Retiring Directors who are standing for re-election at the forthcoming Fourth AGM. The justifications in support of their re-election are set out in the Notice of the Fourth AGM dated 27 April 2026, for shareholders' consideration.</p> <p>The profiles of the Retiring Directors, including their age, gender, tenure of service, directorships in other companies, qualification and working experience, can be viewed in the Profile of Board of Directors section in the Annual Report 2025.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 5.8

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

Application	:	Applied													
Explanation on application of the practice	:	<p>On 26 February 2025, the Board merged the existing Nomination Committee and Remuneration Committee into a single Board Committee, known as the NRC. Following this reorganisation, there was no change to the membership of the committee.</p> <p>The NRC is currently chaired by Ms. Lee Li Choon, an INED of the Company, and comprises exclusively INEDs. The composition of the NRC is as follows:</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Director</th> <th>Directorship</th> </tr> </thead> <tbody> <tr> <td>Chairperson</td> <td>Lee Li Choon</td> <td>INED</td> </tr> <tr> <td>Member</td> <td>Lim Joo Seng</td> <td>INED</td> </tr> <tr> <td>Member</td> <td>Lean Sze Yau</td> <td>INED</td> </tr> </tbody> </table> <p>In discharging its nomination responsibilities, the Chairperson of the NRC assumes, amongst others, the following key roles:</p> <p>(a) Leading succession planning and the appointment of Directors; and (b) Leading the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed.</p>		Designation	Director	Directorship	Chairperson	Lee Li Choon	INED	Member	Lim Joo Seng	INED	Member	Lean Sze Yau	INED
Designation	Director	Directorship													
Chairperson	Lee Li Choon	INED													
Member	Lim Joo Seng	INED													
Member	Lean Sze Yau	INED													
Explanation for departure	:														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
Measure	:														
Timeframe	:														

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board remains committed to advancing gender diversity in line with the Company's Gender Diversity Policy. In the selection and appointment of Board members, due consideration is given to all suitably qualified candidates on an equal and merit-based basis, taking into account, among others, diversity of gender, experience, knowledge, competencies and other attributes relevant to the Group's existing business operations and future investment opportunities.</p> <p>During the FYE 2025, the Board comprised four (4) female Directors, namely Tengku Faizwa Binti Tengku Razif, Ms. Cheok Hui Yen, Ms. Lim Joo Seng and Ms. Lee Li Choon, representing 67% female participation on the Board. Following the resignation of Ms. Cheok Hui Yen as Executive Director of the Company on 31 January 2026, female representation on the Board currently stands at 50%, which remains above the 30% target for 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 Board has adopted a Gender Diversity Policy to promote greater female representation at both the Board and Senior Management levels within the Group. Through this policy, the Company has established a structured framework to support diversity and inclusiveness at the Board and management level, foster a workplace culture that respects and values individuals regardless of gender, and promote equal opportunities for career growth and advancement across the Group.</p> <p>As of 31 December 2025, women comprise 67% of the Board, with four (4) out of six (6) Directors being female, while female representation within the Key Senior Management team also stands at 60%, with three (3) out of five (5) Key Senior Management personnel being women. Both levels exceed the minimum 30% target prescribed under the Gender Diversity Policy.</p> <p>Notwithstanding the above, gender is not considered a prerequisite for directorships or managerial positions within the Company or the Group. Appointments are made on the basis of merit and objective criteria to ensure that the most suitable and qualified candidates are selected, regardless of gender.</p> <p>The Gender Diversity Policy is accessible on the Company's website at www.kgwlogistics.com/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

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

Practice 6.1

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

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

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board, through the NRC, conducted the following assessments for the FYE 2025, the results of which were presented to the NRC and the Board:-</p> <ul style="list-style-type: none">(a) evaluation of the effectiveness of the Board as a whole;(b) evaluation of the effectiveness of the Board Committees;(c) evaluation of the performance and contribution of each individual Director; and(d) assessment of the independence of INEDs. <p>The performance evaluation process was facilitated by the Company Secretaries and carried out through Directors' self-assessments and peer reviews. The Board conducted the annual assessment internally and considered the existing evaluation framework remained appropriate and effective.</p> <p>The content of the evaluation was tailored by the Board, encompassing a series of relevant assessment criteria, as follows:</p> <p><u>Performance of the Board as a whole and Board Committees</u></p> <ul style="list-style-type: none">(i) Board composition;(ii) Strategy;(iii) Board meetings;(iv) Corporate/Management reporting;(v) Human capital;(vi) Risk management;(vii) Investor relations; and(viii) Purpose, composition and process of each Board Committees. <p><u>Performance of each Individual Director</u></p> <ul style="list-style-type: none">(i) Meeting attendance;(ii) Fit and proper;

	<p>(iii) Contribution and performance; and (iv) Calibre and personality.</p> <p>Based on the outcome of the assessments conducted by the NRC for FYE 2025, the Board is satisfied that: -</p> <p>(a) All individual Directors are able to meet the Board’s expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company;</p> <p>(b) All individual Directors have exercised due care and carried out professional duties proficiently;</p> <p>(a) The Board and Board Committees had been effective in carrying out their functions and duties; and</p> <p>(c) All INEDs had been and remain independent from management and free from any business relationship that could materially interfere with their independent judgement.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

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	:	<p>The Board has not established a formal Remuneration Policy for determining the remuneration for both Directors and Key Senior Management.</p> <p>In the absence of a standalone Remuneration Policy, the Board Charter and the Terms of Reference of NRC serve as a guide for the Board and the NRC to determine the remuneration for Directors and Senior Management.</p> <p>The remuneration packages for the Executive Directors and Key Senior Management are linked to the Group's performance and achievement of goals, such as measurable organisational targets, key performance indices and/or individual achievements.</p> <p>The remuneration of Non-Executive Directors includes a basic fee determined based on their responsibilities in the Board Committees and the Board, meeting attendance and any special skills and expertise they contribute to the Board. The payment of Directors' fee and benefits is subject to shareholders' approval at the AGM, and is made on a fixed sum basis rather than based on commission or percentage of profits or turnover.</p> <p>Directors concerned are abstained from deliberation and voting in respect of their own remuneration.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 7.2

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

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

Application	:	Applied												
Explanation on application of the practice	:	<p>On 26 February 2025, the Board merged the existing Nomination Committee and Remuneration Committee into a single Board Committee, known as the NRC. Following this reorganisation, there was no change to the membership of the committee.</p> <p>The NRC is currently chaired by Ms. Lee Li Choon, an INED of the Company, and comprises exclusively INEDs. The composition of the NRC is as follows:</p> <table border="1"><thead><tr><th>Designation</th><th>Director</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairperson</td><td>Lee Li Choon</td><td>INED</td></tr><tr><td>Member</td><td>Lim Joo Seng</td><td>INED</td></tr><tr><td>Member</td><td>Lean Sze Yau</td><td>INED</td></tr></tbody></table> <p>The roles and responsibilities of the NRC are governed by its Terms of Reference, which is available on the Company's website at www.kgwlogistics.com/corporate-governance/.</p> <p>The principal responsibilities of the NRC in relation to remuneration include, amongst others, the following:</p> <ul style="list-style-type: none">(i) formulating policies, procedures, and guidelines and setting criteria governing the remuneration framework for Directors and Senior Management;(ii) ensuring that all Directors and Senior Management are fairly rewarded in recognition of their individual contributions to the Group, with remuneration commensurate with their respective responsibilities and aligned with the Group's performance; and(iii) ensuring that the remuneration of Directors and Senior Management remains sufficiently competitive to attract, motivate and retain the right talent to support the Board and	Designation	Director	Directorship	Chairperson	Lee Li Choon	INED	Member	Lim Joo Seng	INED	Member	Lean Sze Yau	INED
Designation	Director	Directorship												
Chairperson	Lee Li Choon	INED												
Member	Lim Joo Seng	INED												
Member	Lean Sze Yau	INED												

	<p>Senior Management in achieving the Group's long-term objective.</p> <p>The Terms of Reference of the NRC is available on the Company's website at www.kgwlogistics.com/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

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 details of the Directors' remuneration for the FYE 2025, on named basis, with remuneration breakdown is shown in the table below.

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	Tengku Faizwa Binti Tengku Razif	Independent Director	72.0	2.5	-	-	-	-	74.5	72.0	2.5	-	-	-	-	74.5
2	Dato' Roger Wong Ken Hong	Executive Director	-	-	-	-	-	-	-	-	60.0	960.0	80.0	-	129.6	1,229.6
3	Cheok Hui Yen	Executive Director	-	-	-	-	-	-	-	-	-	180.0	-	-	23.0	203.0
4	Lim Joo Seng	Independent Director	36.0	2.5	-	-	-	-	38.5	36.0	2.5	-	-	-	-	38.5
5	Lean Sze Yau	Independent Director	36.0	1.5	-	-	-	-	37.5	36.0	1.5	-	-	-	-	37.5
6	Lee Li Choon	Independent Director	36.0	2.5	-	-	-	-	38.5	36.0	2.5	-	-	-	-	38.5

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	:	Due to the confidentiality and sensitivity of remuneration details, the Board is of the opinion that disclosing the remuneration of Senior Management on a named basis would not be in the Company’s best interest, given the competitive environment that may give rise to recruitment and talent retention challenges.									
		In view thereof, the Board opted to disclose the remuneration of Senior Management (who are not Directors of the Company) received for the FYE 2025 in bands of RM50,000 on unnamed basis as follows: -									
		<table border="1"> <thead> <tr> <th>Range of Remuneration</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM150,001 to RM200,000</td> <td>1</td> </tr> <tr> <td>RM250,001 to RM300,000</td> <td>1</td> </tr> <tr> <td>RM300,001 to RM350,000</td> <td>1</td> </tr> </tbody> </table>		Range of Remuneration	Number of Senior Management	RM150,001 to RM200,000	1	RM250,001 to RM300,000	1	RM300,001 to RM350,000	1
Range of Remuneration	Number of Senior Management										
RM150,001 to RM200,000	1										
RM250,001 to RM300,000	1										
RM300,001 to RM350,000	1										
<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 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>To maintain the objectivity of the Board's review of the AC's findings and recommendations, the positions of Board Chairperson and Chairperson of the AC are held by separate individuals. The Board is chaired by Tengku Faizwa Binti Tengku Razif, while the AC is chaired by Ms. Lim Joo Seng, both of whom are INEDs.</p> <p>This clear separation of roles supports an appropriate balance of authority and reinforces the integrity of the Board's oversight of matters deliberated by the AC. The respective roles, duties and responsibilities of the Board Chairperson and the AC Chairperson are set out in the Terms of Reference of the AC, which is available on the Company's website at www.kgwlogistics.com/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 9.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Terms of Reference of the AC stipulates that a former partner of the Company's external audit firm shall observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the AC. This requirement ensures that the independence and objectivity of the AC members are not jeopardised.</p> <p>Currently, none of the AC members are the former partners of the Company's external audit firm, and the Board does not foresee any new appointment of former audit partner to the AC.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The AC is entrusted by the Board to assess and review both the audit and non-audit services provided by External Auditors, along with reviewing their suitability and independence.</p> <p>Under the AC's Terms of Reference, the AC shall conduct annual evaluations of the External Auditors' performance, suitability, objectivity and independence, as well as the quality of their audit and non-audit services. In carrying out this assessment, the AC takes into consideration the following factors:</p> <ul style="list-style-type: none">(i) the performance, suitability, objectivity and independence of the External Auditors;(ii) the adequacy of External Auditors' audit arrangements, particularly on the scope and quality of audit;(iii) the External Auditors' capacity, resources and ability to meet reporting deadlines and address issues in a timely manner, as specified in the Audit Planning Memorandum; and(iv) the nature and extent of non-audit services rendered by the External Auditors. <p>Based on the annual performance evaluation conducted by the AC for the FYE 2025, the AC was satisfied with the performance and independence of the External Auditors and recommended to the Board the re-appointment of Messrs. Ecovis Malaysia PLT as External Auditors of the Company. The Board, having considered the AC's recommendation, had in turn recommended their re-appointment for shareholders' approval at the forthcoming Fourth AGM of the Company.</p> <p>The External Auditors had also provided written assurance to the Board confirming their independence throughout the audit engagement for FYE 2025, in compliance with the relevant professional and regulatory requirements.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted												
Explanation on adoption of the practice	:	The AC comprises solely of INEDs and its current composition is as follows: <table border="1"><thead><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairperson</td><td>Lim Joo Seng</td><td>INED</td></tr><tr><td>Member</td><td>Lean Sze Yau</td><td>INED</td></tr><tr><td>Member</td><td>Lee Li Choon</td><td>INED</td></tr></tbody></table>	Designation	Name	Directorship	Chairperson	Lim Joo Seng	INED	Member	Lean Sze Yau	INED	Member	Lee Li Choon	INED
Designation	Name	Directorship												
Chairperson	Lim Joo Seng	INED												
Member	Lean Sze Yau	INED												
Member	Lee Li Choon	INED												

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 AC are financially literate, competent and possess the required expertise and knowledge to effectively discharge their duties and responsibilities.</p> <p>Ms. Lim Joo Seng, the Chairperson of the AC, is a member of Certified Practising Accountants of Australia and Malaysian Institute of Accountants, and has more than 20 years of experience in the accounting and finance field. The qualifications and experience of each AC member are set out in the Profile of Board of Directors in the Annual Report 2025.</p> <p>While only one-third ($\frac{1}{3}$) of the AC members is a member of a professional accounting body, all AC members are financially literate and stay updated with the latest developments in accounting and auditing standards, practices and rules through continuous professional developments and periodic updates from both the Management and External Auditors.</p> <p>The training programmes attended by the AC members during FYE 2025 are detailed in the Corporate Governance Overview Statement in the Annual Report 2025.</p> <p>Based on the annual performance evaluation of the AC for the FYE 2025, the NRC was satisfied that the AC members collectively possess the appropriate mix of skills, knowledge and expertise required to understand and review the Group's financial statements and the application of the relevant accounting standards. Accordingly, the Board, through the NRC, was of the view that the AC had discharged its roles and responsibilities effectively during FYE 2025.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Recognising the importance of sound risk management and internal control system, the Board remains committed to maintaining and reinforcing a system that safeguards the Group's assets, protects shareholders' investments and upholds stakeholders' interests.</p> <p>To facilitate this duty, the Board has established an Enterprise Risk Management ("ERM") framework to provide overall principles, guidance and approach for managing risks across the Group. Under this framework, the Group's ERM approach and process are closely associated and interlinked. The ERM approach sets out the principles and methodologies that guide the consistent application of risk management across the Group, while the ERM process outlines the procedures for identifying, managing and addressing risks.</p> <p>The Board acknowledged that the ERM framework is designed to manage risk within an acceptable level risk profile rather than eliminate them entirely. As such, the system only provides reasonable but not absolute assurance of its effectiveness against any material financial misstatement, loss, fraud or unforeseeable events.</p> <p>Following the restructuring of Board Committees on 26 February 2025, the SRMC assumed the responsibility to support the Board in overseeing the adequacy and effectiveness of the Group's risk management framework, internal control and sustainability matters.</p> <p>To further enhance the effectiveness and efficiency of the Group's risk management and internal control system, the Board has outsourced its internal audit function to an independent professional firm to conduct periodic reviews of the Group's internal control system. The AC oversees and reviews the effectiveness of internal audit activities and monitors the Management's actions in addressing areas for improvement identified by the outsourced Internal Auditors, thereby contributing to the ongoing enhancement of the system of risk management and internal control.</p> <p>An overview of the Group's current state of risk management and internal control are set out in the Statement on Risk Management and Internal Control 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

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	:	<p>The Board recognises its overall responsibility for establishing and maintaining a sound risk management framework and internal control system, as well as for continuously reviewing their effectiveness, adequacy and integrity in light of the Group's evolving business environment. In discharging this responsibility, the Board, through the SRMC, oversees the identification and monitoring of the Group's principal business risks and challenges, including strategic, financial and operational risks, and reviews the effectiveness of the Group's risk management and internal control systems on an ongoing basis.</p> <p>The ERM framework adopted by the Company involves five (5) key risk management procedures, including proactively identifying, analysing, responding, monitoring and reporting on the Group's risks. Senior Management, under the leadership of the Managing Director, is responsible for implementing and executing the strategies, culture, people, processes, technology and organisational structures, which are integral components of the ERM framework.</p> <p>The Group's internal control system comprises clearly defined, formalised, and documented internal policies, standards and procedures. Key components of the Group's internal control system include: -</p> <ul style="list-style-type: none">(i) Company policies, including Board Charter, Terms of Reference, the Code, ABC Policy, and Whistleblowing Policy and Procedure;(ii) Well defined organisation structure with a proper segregation of duties;(iii) Standard operating procedures covering various operational areas;(iv) Internal audit functions carried out by the outsourced Internal Auditors; and(v) Periodic operational review meetings to enhance internal control system. <p>The Company has engaged outsourced Internal Auditors to assess and evaluate the Group's internal control and risk management system. With the assurance provided by the Management and the Internal Auditors, the Board is satisfied that the Group's risk management and</p>

	<p>internal control system was operating adequately and effectively during FYE 2025 to safeguard the Group's assets, shareholders' investments and stakeholders' interests.</p> <p>Further details on the Group's risk management and internal control system are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2025.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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>On 26 February 2025, the Board established the SRMC to oversee the effective implementation of the risk management framework, internal controls and sustainability matters, particularly on the EESG aspects of the Group.</p> <p>The SRMC consists solely of INEDs, and the current composition is as follows:</p> <table border="1"><thead><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairperson</td><td>Lean Sze Yau</td><td>INED</td></tr><tr><td>Member</td><td>Lee Li Choon</td><td>INED</td></tr><tr><td>Member</td><td>Lim Joo Seng</td><td>INED</td></tr></tbody></table> <p>The roles and responsibilities of the SRMC are set out in its Terms of Reference, which is available on the Company's website at www.kgwlogistics.com/corporate-governance/.</p>	Designation	Name	Directorship	Chairperson	Lean Sze Yau	INED	Member	Lee Li Choon	INED	Member	Lim Joo Seng	INED
Designation	Name	Directorship												
Chairperson	Lean Sze Yau	INED												
Member	Lee Li Choon	INED												
Member	Lim Joo Seng	INED												

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	<p>The AC is responsible for overseeing the effectiveness of the Group's internal audit function. The duties and responsibilities of the AC in relation to the internal audit function are outlined in the Terms of Reference of the AC, including but not limited to: -</p> <ul style="list-style-type: none">(i) reviewing the adequacy of the scope, functions, competency and resources of the internal audit functions, ensuring it has the necessary authority to perform its duties; and(ii) reviewing the internal audit plan, processes, results of the internal audit assessments, and investigation undertaken, as well as ensuring appropriate actions are taken on the recommendations of the Internal Auditors. <p>The Group's internal audit function has been outsourced to an independent professional firm, Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"), which reports directly to the AC. This reporting line supports the independence and objectivity of the internal audit function in the discharge of its responsibilities. Through the AC, the Internal Auditors provide the Board with independent assessments and objective assurance on the adequacy and effectiveness of the Group's system of internal control.</p> <p>The AC has full and unrestricted access to all necessary information and resources required to facilitate the internal auditors' work. The internal audit reviews are carried out in accordance with the internal audit plan approved by the AC. Upon completion of each internal audit review, the Internal Auditors report their audit findings, along with root-cause analysis, potential risks and implications, as well as recommended corrective actions to the AC. The Management is then tasked with implementing the agreed corrective actions within the stipulated timeframe. Follow-up reviews are subsequently carried out by the Internal Auditors to assess whether the corrective actions have been effectively implemented.</p> <p>For FYE 2025, the Board was of the view that the Group's internal audit function had operated adequately, and there were no major weaknesses in the internal control system that would have a significant adverse impact on the Group's financial performance or 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

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>During the FYE 2025, the internal audit function was outsourced to an independent professional firm, Eco Asia.</p> <p>The internal audit engagements were led by the Head of Department of Eco Asia, Ms. Janeeta Salim, with the support of one (1) Assistant Manager, two (2) Senior Consultants and two (2) Junior Consultants. Ms. Janeeta Salim is an Associate Member of the Institute of Internal Auditors Malaysia. She brings valuable expertise to the team with her extensive experience in the internal audit field. During the FYE 2025, the Internal Auditors had conducted the following internal audit reviews:</p> <p>(i) Finance General Control Review; and (ii) Human Resources and Payroll Management Review.</p> <p>The internal audit reviews were conducted in accordance with the International Professional Practices Framework (IPPF), as guided by the International Standards for the Professional Practice of Internal Auditing.</p> <p>The Internal Auditors are independent and free from any relationships or conflicts of interest that could impair their objectivity in conducting internal audit.</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	:		
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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 acknowledges the importance of timely, transparent and effective communication with shareholders and stakeholders to build mutual trust and promote a clear understanding of the Group's objectives and direction. In this regard, the Board remains committed to ensuring that disclosures relating to the Group's business operations and developments are made in a timely, accurate, consistent and fair manner to shareholders and the investing public.</p> <p>The Company utilises the following principal channels to communicate and disseminate information on a timely basis:</p> <p>(i) <u>Company's website</u> The Company's website at www.kgwlogistics.com serves as a key platform for the dissemination of relevant and updated information relating to the Group and its business activities. This includes corporate information such as the profiles of the Board and Key Senior Management, corporate governance practices, corporate policies, financial information and annual reports.</p> <p>General public may reach out to the Company through the "Contact Us" section on the Company's website at www.kgwlogistics.com/contact-us/, which provides an avenue for stakeholders to send enquiries, suggest improvements or lodge complaints.</p> <p>(ii) <u>Corporate announcements made to Bursa Securities</u> All material developments, significant updates relating to the Group, and the Company's quarterly financial results are announced to Bursa Securities in accordance with AMLR. These corporate announcements are accessible on both the Company's website at www.kgwlogistics.com and the Bursa Securities' website at www.bursamalaysia.com.</p> <p>(iii) <u>Annual Report</u> The Company's Annual Report provides shareholders and other stakeholders with a comprehensive overview of the Group,</p>

	<p>including its business activities, financial performance, corporate governance practices, sustainability management, risk management, internal control framework and future prospects. The Annual Report serves as an important source of reference for stakeholders in understanding the Group’s performance and strategic direction.</p> <p>(iv) <u>General Meetings</u> General meetings serve as an important forum for engagement with shareholders, allowing them to communicate directly with the Board, raise questions and concerns, and obtain clarification on matters relating to the Group’s business and affairs.</p> <p>(v) <u>Investor Relations</u> For inquiries related to Investor Relations, the public may reach out to our dedicated representative at the following contact details:</p> <p>Name: Ms. Wendy Kam (Chief Financial Officer) Tel No.: +603-7842 8899 Email: corporate@kgwlogistics.com</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of the AGM as a vital platform for direct and meaningful communication between the Board and the Company's shareholders. Therefore, the Board is committed to ensuring that shareholders are given ample time to review and consider the resolutions to be discussed at the AGM.</p> <p>To support informed shareholder participation, the Company adopts the practice of issuing the notice of AGM to registered shareholders at least twenty-one (21) days before the meeting, or where practicable, at least twenty-eight (28) days in advance. This allows shareholders adequate time to review the Company's Annual Report, consider the proposed resolutions, and make the necessary arrangements either to attend and participate in the AGM in person or to appoint a proxy to attend and vote on their behalf.</p> <p>The notice of the Third AGM of the Company was issued to the shareholders on 29 April 2025, which was at least twenty-eight (28) days prior to the Third AGM held on 28 May 2025. To further enhance outreach, the notice of the Third AGM was also published in nationally circulated newspapers.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board views general meetings as a key platform for engagement with shareholders, allowing them to communicate directly with the Directors, raise concerns and obtain greater insight into the Company's affairs and management. This facilitates open, constructive and meaningful dialogue between the Board and shareholders.</p> <p>During the Third AGM, the Board demonstrated its commitment to shareholder engagement through full attendance at the meeting. The Board Chairperson, along with the chairpersons of the Board Committees and Key Senior Management, addressed the questions and concerns raised prior to the meeting as well as those during the meeting.</p> <p>Additionally, the External Auditors were also present at the Third AGM to address any queries from shareholders related to the audit process and the preparation of the Company's and Group's financial statements.</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	:	In compliance with Rule 8.29A of the AMLR, the Company's Third AGM on 28 May 2025 was conducted physically within the capital city vicinity, ensuring easy accessibility for the public shareholders and not in remote locations.	
		Shareholders who are unable to attend the physical meeting may appoint a proxy to attend and vote on their behalf, provided that the proxy form is lodged at the office of the Company's Share Registrar at least 48 hours prior to the general meeting.	
<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 AGM serves as the primary platform for interaction between the Board and the shareholders, providing shareholders with the opportunity to communicate directly with the Board, including assessing the Group's performance and asking questions to seek clarification from the Board.</p> <p>At the Third AGM held on 28 May 2025, the Company encouraged active participation from shareholders by providing opportunities and sufficient time to raise questions. The Board Chairperson ensured that shareholders and/or proxies were given the opportunities to engage meaningfully with the Board and participate effectively in the AGM, while also ensuring that the Board and Key Senior Management address shareholders' queries with meaningful response, fostering interactive engagement during the AGM.</p> <p>To ensure the orderly conduct of the AGM and uphold the credibility and fairness of the voting process, the Company has appointed ShareWorks Sdn Bhd as the poll administrator to conduct the polling process, and Sharepolls Sdn Bhd as the independent scrutineer to validate the voting results.</p> <p>In addition, the Company's corporate website provides additional channels for shareholders to engage, raise issues and provide feedback to the Company.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.5

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

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

Intended Outcome

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

Practice 13.6

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

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of general meetings constitute an important source of reference for shareholders and stakeholders, as they provide a transparent record of the proceedings, including the matters deliberated and the issues raised during the meeting. The draft minutes of the Third AGM were circulated to the Board for comments and were thereafter confirmed as true and correct record of proceedings. The minutes of the Third AGM, including the questions raised during the meeting together with the answers provided by the Company and the outcome of the voting results, were made available to the shareholders at the Company's website at www.kgwlogistics.com/corporate-updates/ , not later than thirty (30) business days after the conclusion of the meeting.
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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