

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0282
COMPANY NAME : KGW Group Berhad
FINANCIAL YEAR : December 31, 2023

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") assumes full responsibility for the overall performance, governance, growth and direction of the Company and its subsidiaries (collectively known as "the Group").</p> <p>Guided by the Board Charter, the Board holds several key responsibilities, including: -</p> <ul style="list-style-type: none">(i) Review and approve corporate plan and strategic initiatives including corporate business restructuring or streamlining and strategic alliances;(ii) Oversee the conduct of the Group's business operations;(iii) Promote good corporate governance culture within the Group;(iv) Assess and identify the principal risks, risk appetite and ensure the implementation of risk management;(v) To ensure that the Company has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance ("MCCG");(vi) Review the adequacy and integrity of the Group's internal control systems and management information systems; and(vii) Ensure the integrity of the Company's financial and non-financial reporting. <p>Details of the roles of the Board are specified in Item 4.1 of the Board Charter.</p> <p>To enhance the Board's efficiency and effectiveness as well as effectively discharge its responsibilities, the Board has delegated certain responsibilities and authorities to three (3) Board Committees, namely Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC"). The roles and</p>

	<p>responsibilities of each Board Committees are clearly stated in their respective Terms of Reference.</p> <p>The Board Charter and Terms of Reference for each Board Committees are publicly available 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

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Tengku Faizwa Binti Tengku Razif, an Independent Non-Executive Chairman. As the Board Chairman, she is accountable for promoting good corporate governance practices, providing leadership to the Board and improving the Board's overall effectiveness.</p> <p>As outlined in Item 4.4 of the Board Charter, the responsibilities of the Board Chairman include:</p> <ul style="list-style-type: none"> (i) providing leadership and overseeing the Board in the effective discharge of its duties; (ii) setting and ensuring timely delivery of the Board agenda as well as complete and accurate information to the Board members; (iii) leading discussions in Board meetings and ensuring 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 Directors 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. <p>The roles and responsibilities of the Board Chairman are fully disclosed in the Board Charter and it is accessible 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	:		
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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 positions of the Board Chairman and Managing Director are held by two (2) different individuals and each of them has a clearly accepted division of responsibilities to ensure that there is a balance of power and authority to promote the Board's impartial oversight over management and accountability.</p> <p>The key role of Tengku Faizwa Binti Tengku Razif, as the Board Chairman, includes fostering good corporate governance practices, providing leadership and enhancing the effectiveness of the Board.</p> <p>On the other hand, Dato' Roger Wong Ken Hong, as the Managing Director, oversees the Group's business performance and implements strategies and policies approved by the Board. He is also responsible for overseeing the day-to-day operations of the Group.</p> <p>The distinct lines of responsibilities between the Board Chairman and Managing Director are outlined in the Board Charter to ensure that no one has unfettered decision-making power. The Board Charter 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 :	The Board Chairman, Tengku Faizwa Binti Tengku Razif, is not a member of the ARMC, NC and RC but she was invited to attend the Board Committees' meetings during the financial year ended 31 December 2023 ("FYE 2023").
	Her attendance at the Board Committees' meetings was primarily to provide recommendations or inputs on issues raised in the Board Committees' meetings. She did not involve in the decision-making on resolutions, proposals and matters tabled for approval during the Board Committees' meetings. Therefore, her attendance does not compromise the objectivity of the Board Committees.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Mr. Chang Ngee Chuang ("Mr. Chang") and Ms. Thong Pui Yee ("Ms. Thong") during the FYE 2023. Both of the Company Secretaries are qualified to act as the Company Secretaries pursuant to Section 235(2)(a) of the Companies Act 2016 and are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>The Company Secretaries assist the Board by advising on matters related to the Company's administration, governance and meeting procedures to ensure the compliance with all relevant legal and corporate governance standards.</p> <p>During the FYE 2023, the Company Secretaries have properly and reasonably discharged their roles and duties as follows:</p> <ul style="list-style-type: none">(i) Maintain the Group's statutory records, registers and documents in a proper manner;(ii) Coordinate and facilitate all Board and Board Committees meetings in timely manner;(iii) Facilitate Board communications and maintain proper documentation of meeting minutes and board resolution;(iv) Advise the Board and Board Committees on their roles and responsibilities, corporate disclosures, as well as procedural and regulatory requirements, to assist the Board and Board Committees in discharging their fiduciary responsibilities in accordance with good corporate governance practices;(v) Ensure all appointments of Directors are properly made and adhere to all legal and regulatory requirements;(vi) Support the Board in convening the general meetings; and(vii) Keep the Board updated with the latest corporate governance developments and assist the Board in applying governance practices to meet its needs and stakeholders' expectations. <p>To ensure the effective performance of their duties, the Company Secretaries have been and will continue to keep themselves abreast of the latest regulatory and corporate governance developments through continuous training and industry updates. They also attended various</p>

	<p>relevant continuous professional development sessions throughout FYE 2023.</p> <p>The Board expresses its satisfaction with the performance, competency, reliability and support rendered by the Company Secretaries during FYE 2023.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>In KGW, all Board and Board Committees meetings are scheduled in advance, allowing all Directors ample time to reserve their dates and make necessary arrangements to attend the scheduled meetings. The Board's annual meeting calendar is prepared and circulated to Directors before the beginning of each calendar year.</p> <p>In line with the Board Charter, notices, agendas and meeting papers containing the relevant reports for each meeting are circulated to the Directors at least seven (7) days before the scheduled meeting. This provides Directors with sufficient time for thorough review and thoughtful consideration of agenda items, and when necessary, to obtain additional information from the Management to facilitate their decision-making process during the meeting.</p> <p>Furthermore, to promote objective and independent discussion during the meeting, all Board and Board Committees meetings are conducted separately. At the Board's and/or Board Committees' discretion, Senior Management or external parties can be invited to the meeting when the needs arise.</p> <p>All Directors have full and unrestricted access to all information related to the Group's business and affairs, as well as to the advice and services of the Company Secretaries and the Management in a timely manner, facilitating effective decision making and discharge of duties.</p> <p>The Company Secretaries will record all matters, discussions, deliberations, decisions and conclusions made during the Board meetings. The meeting minutes are then circulated to the Board on a timely basis for review and thereafter, for confirmation at the following meeting. The duly confirmed and endorsed meeting minutes will be properly kept by the Company Secretaries at their 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 with the purpose of providing clear guidelines to the Board for the effective discharge of their duties.</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 will regularly review on the Board Charter as and when required to ensure that it is up to-date in accordance with the latest applicable legal requirements as well as 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>: To ensure the highest standards of ethics and governance in business conduct, the Board has established the Code of Conduct and Ethics ("the Code"). The Group is committed to upholding professionalism, honesty and integrity in business dealings at all times.</p> <p>The Code has set out policies and procedures to address the following key areas: -</p> <table border="1" data-bbox="560 1115 1407 1617"> <thead> <tr> <th data-bbox="560 1115 983 1151">Employee Conduct</th> <th data-bbox="983 1115 1407 1151">Business Conduct</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1151 983 1617"> <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 1151 1407 1617"> <ul style="list-style-type: none"> ➤ Dealing with external parties ➤ Money laundering ➤ Bribery and corruption ➤ Gifts, entertainment and others </td> </tr> </tbody> </table> <p>The Code is subjected to periodic review to ensure that it remain relevant and appropriate with the latest business and regulatory environments.</p> <p>In line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Group has also adopted an Anti-Bribery and Corruption Policy ("ABC Policy"). As part of the Group's zero-tolerance policy against all forms of bribery and corruption, the ABC Policy outlines principles and guidelines for handling bribery and corruption-related activities and issues when they arise.</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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	Both the Code and ABC Policy are published on the Company's website at www.kgwlogistics.com/corporate-governance/ .	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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>To promote the Group's commitment to ethical and legal business operations, the Group has established a Whistleblowing Policy and Procedures. This policy provides a secure channel for individuals with genuine concerns to disclose any suspected wrongdoings, business misconduct or malpractices within the Group without fear of discrimination, retaliation or harassment.</p> <p>Whistleblowers are advised to disclose any malpractice or misconduct within the Group through a web-form available on the Company's website at www.kgwlogistics.com/anti-bribery-anti-corruption-and-whistle-blowing-policy or report directly to the Chairman of ARMC via email at jslim48@yahoo.com if they have a reasonable belief or suspicion of such activities.</p> <p>The Company will provide whistleblower with confidentiality protection to the extent reasonably consistent with the need to conduct an adequate investigation and to take all reasonable actions to protect the whistleblower 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> <p>For the FYE 2023, the Group has not received any report or concerns made by any whistleblower vide the communication and feedback channels.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

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 acknowledges its vital role in overseeing the overall sustainability management of the Group, which involves establishing and monitoring the Group's sustainability strategies, priorities and goals.</p> <p>The Board is supported by the ARMC, which is in turn assisted by the Sustainability Working Group ("SWG"). The SWG comprises of two (2) Executive Directors and key Senior Management and is tasked to: -</p> <ul style="list-style-type: none">(a) Perform material matters assessment on an annual basis;(b) Monitor the implementation of sustainability strategies and initiatives as approved by the Board and ARMC in daily operations; and(c) Report or discuss with the ARMC on the progress of integration of sustainability strategies and initiatives into business operations on periodical basis. <p>Material matters assessment is conducted to identify and prioritise the sustainability issues of the Group and will be carried out annually to assess the relevancy of the identified material matters and to uncover any potential new material matters. In its first material matters assessment, the Company has identified eleven (11) material matters for FYE 2023.</p> <p>The Group's sustainability strategies and performance in addressing the material risks and opportunities are illustrated in the Sustainability Statement in the Company's Annual Report 2023.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

The 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 acknowledges the needs for regular engagement with stakeholders in shaping the Group's sustainability strategies, priorities, and targets. These interactions provide valuable insights and allow the Board to better understand the needs and expectations of stakeholders, thereby facilitating an informed strategic planning process.</p> <p>In the FYE 2023, the Company has identified seven (7) primary stakeholder categories which are shareholders/investors, employees, customers, suppliers/vendors, government/regulators, community and analyst/media.</p> <p>A detailed Sustainability Statement is presented in the Company’s Annual Report 2023 to help stakeholders understand the integration of economic, environmental, social and governance (“EESG”) factors into the Group’s operations. This Sustainability Statement also represents the Group’s commitment in promoting sustainability.</p> <p>Further information including details of the stakeholders’ engagement, material matters assessment, sustainability strategies, targets, and performance are included in the Sustainability Statement in the Company’s Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board, assisted by the NC, assesses the training programmes attended by the Directors during the financial year to ensure the Directors had and will continue to stay abreast with the latest industry development and trends as well as the sustainability matters related to the Group.</p> <p>Other than attending formal training programmes, the Board will keep themselves abreast with the sustainability issues relevant to the Group through the presentation of updates, news, publications from relevant agencies, engagement with external consultants and business associates, structured reading and/or deliberation during the Board meetings.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.4

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

Application	:	Applied
Explanation on application of the practice	:	<p>As part of the Board's accountability in sustainability management, the Board, through the NC, has developed and adopted a Board evaluation questionnaire to assess the Directors and Senior Management based on their knowledge, abilities, experience and effectiveness in addressing the Group's material sustainability or EESG matters.</p> <p>The assessment criteria encompass various aspect of sustainability management, including the Board and Senior Management's performance in overseeing and supporting the implementation of sustainability strategies within EESG context, development of sustainability programme, knowledge related to the sustainability risks and opportunities, and key performance indicators for Senior Management in achieving sustainability targets.</p> <p>Based on the outcome of the performance evaluation conducted for FYE 2023, the Board concluded that the Company's EESG initiatives remain at the disclosure level. Currently, the Company is focusing on strengthening its EESG practices since it was only listed on ACE Market of Bursa Securities on 1 August 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	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 NC's Terms of Reference, the NC is responsible to review annually the structure, size, tenure, directorships, balance and composition of the Board and Board Committees including the required mix of skills, experience, core competencies and diversity in terms of age, cultural background and gender. The NC will ensure that the current Board composition is conducive to business growth while safeguarding the shareholders' and other stakeholders' interests.</p> <p>For the purpose of determining the eligibility of the retiring Directors to stand for re-election at the forthcoming Annual General Meeting ("AGM") scheduled to be held on 31 May 2024, the Board, through the NC, assesses the eligibility of the each retiring Directors based on the criteria set out in the Directors' Fit and Proper Policy and through a formal evaluation on the performance of each of the individual Directors during financial year ending 31 December 2024. The Policy shall serve as a guide for the NC and the Board in reviewing and assessing the candidates for appointment as Directors as well as the retiring Directors who are seeking for re-election. The Directors' Fit and Proper Policy is available on the Company's website at www.kgwlogistics.com/corporate-governance/.</p> <p>The NC conducted assessment on the following retiring Directors of the Company, who are due for retirement at the forthcoming AGM pursuant to Clause 135 of the Company's Constitution: -</p> <ul style="list-style-type: none">(i) Dato' Roger Wong Ken Hong; and(ii) Ms. Lim Joo Seng. <p>Upon review, the NC, was satisfied with the performance as well as the fit and proper of the retiring Directors and recommended to the Board on their re-election at the forthcoming AGM.</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 5.2

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>Currently, the Board consists of six (6) Board members, of which four (4) of them are Independent Non-Executive Directors (“INED”), including the Independent Non-Executive Chairman, as follows: -</p> <ul style="list-style-type: none">(i) Tengku Faizwa Binti Tengku Razif;(ii) Lim Joo Seng;(iii) Lee Li Choon; and(iv) Lean Sze Yau. <p>The current Board composition also fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated under Rule 15.02 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). This Board composition ensures objective and independent deliberation, review and decision-making at the Board.</p> <p>The NC appraises the independence of INED annually to make sure they remain independent, objective and act in the best interest of the Company, the Group, shareholders and other stakeholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.3

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

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

Application	:	Applied															
Explanation on application of the practice	:	<p>As at 31 December 2023, none of the INED has served the Company for more than a cumulative term of 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>1-3 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 redesignated as a Non-Independent Director.</p> <p>In the event that the Board wishes to retain an INED beyond nine (9) years, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process at AGM. Prior to this, it is the NC's responsibility to evaluate and recommend to the Board the continuance of the INED who has served on the Board beyond the tenure limit.</p>	Directors	Appointment Date	1-3 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	1-3 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 significance of fostering diversity by ensuring the Board and Senior Management encompasses a mix of skills, professional experiences, age, gender, cultural backgrounds and ethnicities.</p> <p>The NC is responsible to assess and recommend to the Board on the suitable candidates for appointment as Directors of the Company. Guided by the Directors' Fits and Proper Policy, the NC shall assess the candidate with the following criteria: -</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 ability to discharge role having regard to other commitments and participation and contribution in the Board. <p>On 23 February 2024, the NC has prepared and conducted an annual evaluation on the performance, skill and experience of the Board and Board Committees as well as the commitment, skills and contributions of each individual Director. The NC will ensure that the Board members have diverse backgrounds and experiences in various fields. Collectively, the Directors bring a wide range of skills, expertise, experience and knowledge to manage the Group's businesses.</p> <p>The Directors' Fit and Proper Policy is 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 NC is responsible for the screening and recruitment process of new Directors. The NC will scrutinise the suitability and qualification of the potential candidates in a formal and transparent process before recommending the suitable candidates to the Board for appointment as Director.</p> <p>In discharging its duties, the NC will assess the potential candidates based on their individual suitability, considering mix of skills, functional knowledge, expertise, experience, character, integrity and any other commitments that the candidate can bring to enhance and complement the Board composition.</p> <p>In identifying potential candidates to fill the Board vacancy, the Board will utilise independent sources, in addition to referrals from existing Directors, the Management and/or substantial shareholders of the Company, to identify suitably qualified candidates.</p> <p>Since the Company was listed on ACE Market of Bursa Securities on 1 August 2023, the Board has not appointed any new Directors during FYE 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>The following Directors (“Retiring Directors”) are due for retirement and eligible to have offered themselves for re-election at the forthcoming AGM: -</p> <ul style="list-style-type: none">(i) Dato’ Roger Wong Ken Hong; and(ii) Ms. Lim Joo Seng. <p>The performance of the Retiring Directors has been assessed by the NC through the individual Director assessment as well as fit and proper assessment.</p> <p>The details and profiles of the Retiring Directors, including their age, gender, tenure of service, directorships in other companies, qualification and working experience, are available in the Profile of Board of Directors section in the Annual Report 2023.</p> <p>A statement by the Board to support the re-election of the Retiring Directors is set out in the Notice of AGM dated 30 April 2024 for the shareholders’ perusal and consideration.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied													
Explanation on application of the practice	:	<p>The NC is chaired by Ms. Lee Li Choon, an Independent Non-Executive Director of the Company.</p> <p>The key responsibilities of the Chairman of the NC include: -</p> <p>(a) Leading succession planning and appointment of Board members; and</p> <p>(b) Leading the review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed.</p> <p>In KGW, the NC comprises exclusively INED, and the composition is as follows: -</p> <table border="1"><thead><tr><th>Designation</th><th>Director</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairman</td><td>Lee Li Choon</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Lim Joo Seng</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Lean Sze Yau</td><td>Independent Non-Executive Director</td></tr></tbody></table>		Designation	Director	Directorship	Chairman	Lee Li Choon	Independent Non-Executive Director	Member	Lim Joo Seng	Independent Non-Executive Director	Member	Lean Sze Yau	Independent Non-Executive Director
Designation	Director	Directorship													
Chairman	Lee Li Choon	Independent Non-Executive Director													
Member	Lim Joo Seng	Independent Non-Executive Director													
Member	Lean Sze Yau	Independent Non-Executive Director													
Explanation for departure	:														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
Measure	:														
Timeframe	:														

Intended Outcome

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

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, there are four (4) female Directors on the Board, namely Tengku Faizwa Binti Tengku Razif, Ms. Cheok Hui Yen, Ms. Lim Joo Seng, and Ms. Lee Li Choon, constituting 67% female Board representation.	
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	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company is cognisant of the gender diversity for the Board and senior management as recommended by the MCCG.	
		Although the Company has in place a Boardroom Diversity Policy in the Board Charter, but the policy does not include pre-set quantitative targets and only addresses Board diversity. The Board has not formalised gender diversity policy for Senior Management of the Company.	
		However, the Board is supportive of gender diversity by having four (4) female Directors served on the Board, constituting 67% female Board representation. In addition, two (2) out of three (3) key senior Management positions in the Company are held by women, constituting 67% female representation in key Senior Management.	
		To enhance its governance practices, the Board will endeavour to establish a comprehensive diversity policy for the Board and Senior Management.	
<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 NC has carried out an annual assessment to evaluate the effectiveness of the Board, Board Committees and the contribution of each individual Director in respect of the FYE 2023.</p> <p>The performance evaluation process was facilitated by the Company Secretaries. The Board conducted the annual assessment internally as the Board considers the current evaluation framework to be effective.</p> <p>In conducting the annual assessments, the NC had assessed the performance of the Board as a whole, the Board Committees and each individual Directors based on the following criteria: -</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;(iii) Contribution and performance; and(iv) Calibre and personality. <p>Additionally, the NC also assesses the independence of INED to ensure that they are free from any business or other relationships that could interfere with the exercise of independent judgement or their ability to act in the best interest of the Group.</p>

	<p>Based on the outcome of the assessments conducted by the NC for FYE 2023, the Board is satisfied that: -</p> <ul style="list-style-type: none"> (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; (b) All individual Directors have exercised due care and carried out professional duties proficiently; (a) The Board and Board Committees had been effective in carrying out their functions and duties; and (c) All INED had been and remain independent from management and free from any business relationship that could materially interfere with their independent judgement. 	
<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 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 yet to develop and adopt a formal Remuneration Policy for determining the remuneration for both the Board and Senior Management.</p> <p>While there is no formal Remuneration Policy, the Board Charter and the Terms of Reference of RC will serve as a guide in determining the remuneration for Directors and Senior Management.</p> <p>The remuneration packages for the Executive Directors and Senior Management are linked to both corporate and individual performance.</p> <p>For Non-Executive Directors, they will be paid a basic fee based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. Their fees are in fixed sum and not based on commission or percentage of profits or turnover. Such fee shall be divided among the Non-Executive Directors as they shall determine, or failing agreement, equally.</p> <p>Directors concerned are abstained from deliberation and voting on their respective own remuneration.</p> <p>The Board, through the RC, will determine the level of remuneration based on the market demands, job complexities and performance of the Company as well as skills and experience required to ensure it is sufficiently attractive to retain the Directors and Senior Management.</p>

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

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>The RC consists solely of three (3) INEDs and the composition of the RC is as follows: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Designation</th> <th style="text-align: left;">Director</th> <th style="text-align: left;">Directorship</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Lean Sze Yau</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member</td> <td>Lim Joo Seng</td> <td>Independent Non-Executive Director</td> </tr> <tr> <td>Member</td> <td>Lee Li Choon</td> <td>Independent Non-Executive Director</td> </tr> </tbody> </table> <p>The duties and responsibilities of the RC as stated in its Terms of Reference are as follows: -</p> <ul style="list-style-type: none"> (i) Establish a formal and transparent remuneration policy and procedures for approving the remuneration of the Directors and Senior Management; (ii) Review and recommend to the Board's fees and benefits; (iii) Formulate policies, guidelines and composition of remuneration components such as basic salary, bonus and other benefits in kind for Directors and Senior Management; (iv) Ensure all Directors and Senior Management are fairly rewarded for their individual contributions to the Company; (v) Ensure the level of remuneration is sufficiently attractive to retain the Directors and Senior Management and structuring the remuneration packages to link rewards to individual performance; and (vi) Ensure all remuneration packages and benefits given to the Directors and Senior Management are in line with the Company's remuneration policy and complying with the applicable laws and guidelines. <p>The Terms of Reference of the RC is available on the Company's website at www.kgwlogistics.com/corporate-governance/.</p>	Designation	Director	Directorship	Chairman	Lean Sze Yau	Independent Non-Executive Director	Member	Lim Joo Seng	Independent Non-Executive Director	Member	Lee Li Choon	Independent Non-Executive Director
Designation	Director	Directorship												
Chairman	Lean Sze Yau	Independent Non-Executive Director												
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Member	Lee Li Choon	Independent Non-Executive Director												

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

Intended Outcome

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 2023, 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	30	2	-	-	-	-	32	30	2	-	-	-	-	32
2	Dato' Roger Wong Ken Hong	Executive Director	-	-	-	-	-	-	-	-	60	960	-	-	123.6	1,143.6
3	Cheok Hui Yen	Executive Director	-	-	-	-	-	-	-	-	-	180	-	-	22.8	202.8
4	Lim Joo Seng	Independent Director	15	2	-	-	-	-	17	15	2	-	-	-	-	17
5	Lean Sze Yau	Independent Director	15	2	-	-	-	-	17	15	2	-	-	-	-	17
6	Lee Li Choon	Independent Director	15	2	-	-	-	-	17	15	2	-	-	-	-	17

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 the detailed disclosure of 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 issues.									
		The Board opts to disclose Senior Management's remuneration received for the FYE 2023 in the 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>RM200,001 to RM250,000</td><td>1</td></tr><tr><td>RM250,001 to RM300,000</td><td>-</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	RM200,001 to RM250,000	1	RM250,001 to RM300,000	-
Range of Remuneration	Number of Senior Management										
RM150,001 to RM200,000	1										
RM200,001 to RM250,000	1										
RM250,001 to RM300,000	-										
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>The positions of Board Chairman and ARMC Chairman are held by two (2) different individuals, with Tengku Faizwa Binti Tengku Razif as the Board Chairman and Ms. Lim Joo Seng as ARMC Chairman.</p> <p>The separation of position as well as the duties and responsibilities reinforce the Board’s objectivity and independence in evaluating ARMC’s findings and recommendations.</p> <p>The Terms of Reference of ARMC 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

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 ARMC required 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 ARMC. This policy aims to ensure that the independence and objectivity of the ARMC members are not jeopardised.</p> <p>The Terms of Reference of the ARMC is accessible at the Company's website at www.kgwlogistics.com/corporate-governance/.</p> <p>Currently, none of the ARMC members are the former partners of the Company's external audit firm, and the Board does not foresee any new appointment of former key audit partner to the ARMC.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

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 ARMC is responsible for reviewing and assessing the suitability, objectivity and independence of External Auditors based on the following key criteria as set out in the Terms of Reference of the ARMC outline: -</p> <ul style="list-style-type: none">(i) Performance, suitability, objectivity and independence of External Auditors;(ii) Adequacy of External Auditors' audit arrangements, particularly on the scope and quality of audit;(iii) External Auditors' capacity, resources, and ability to meet deadlines and respond to issues in a timely manner, as specified in the Audit Planning Memorandum; and(iv) Nature and extent of non-audit services rendered by the External Auditors. <p>The Board, through the ARMC, will conduct an annual performance evaluation of the External Auditors, Messrs. Ecovis Malaysia PLT, to ensure that their performance and independence meet the above criteria. Additionally, the External Auditors have assured the Board of their independence throughout the conduct of audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants ("MIA").</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 ARMC comprises solely of INED as follows: - <table border="1"><thead><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairman</td><td>Lim Joo Seng</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Lean Sze Yau</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Lee Li Choon</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Designation	Name	Directorship	Chairman	Lim Joo Seng	Independent Non-Executive Director	Member	Lean Sze Yau	Independent Non-Executive Director	Member	Lee Li Choon	Independent Non-Executive Director
Designation	Name	Directorship												
Chairman	Lim Joo Seng	Independent Non-Executive Director												
Member	Lean Sze Yau	Independent Non-Executive Director												
Member	Lee Li Choon	Independent Non-Executive Director												

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>ARMC is mainly responsible for overseeing the Group's accounting, audit, internal controls and risk management functions. All members of the ARMC are financially literate and possesses the required expertise and knowledge to carry out their tasks and obligations effectively.</p> <p>Ms. Lim Joo Seng, the AMRC Chairman, is a member of Certified Practising Accountants of Australia ("CPA Australia") and MIA, with more than 20 years of experience in the accounting and finance field. The qualification and experience of the individual ARMC members are disclosed in the Profile of Board of Directors in the Annual Report 2023.</p> <p>Although only one-third ($\frac{1}{3}$) of the ARMC is a member of a professional accounting body, all ARMC members are financially literate and stay updated with the latest developments in accounting and auditing standards, practices and rules through continuous professional developments and updates from both the Management and External Auditors.</p> <p>The training programmes attended by the ARMC members during FYE 2023 are disclosed in the Corporate Governance Overview Statement in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board assumes responsibility for ensuring the adequacy and integrity of the Group's internal control and risk management systems, aiming to safeguard the Group's assets, shareholders' investments and stakeholders' interests.</p> <p>To facilitate this duty, the Board has established an Enterprise Risk Management Framework ("ERM Framework") to provide overall guidelines and approach to the Group's risk management. The ERM Framework delineates five (5) key risk management procedures, namely identifying, analysing, responding to, monitoring, and reporting any potential risks or structural weaknesses that may impede the Group from achieving its business objectives. The Board ascertained that the ERM Framework is designed to identify and manage the Group's risk within the acceptable tolerance levels, and that the systems in place could provide only reasonable but not absolute assurance.</p> <p>In the discharge of its oversight responsibilities, the ARMC supports the Board by periodically examining and reviewing the adequacy and effectiveness of the Group's risk management and internal control systems to ensure that they remain relevant and compliant with applicable laws and regulations.</p> <p>To further enhance the effectiveness and efficiency of the Group's risk management and internal control systems, 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 ARMC monitors and reviews the effectiveness of internal audit activities and ensures that actions have been taken by the Management to improve the operational control processes as highlighted by the Internal Auditors, thereby contributing to the ongoing effectiveness 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 2023.</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 building a good risk management framework and internal control system, as well as continuously monitoring its effectiveness, adequacy, and integrity in the dynamic business environment. The Board, through the ARMC, constantly identifying and monitoring the key business risks and challenges faced by the Group, including strategic, financial, and operational risks, and continuously reviewing the effectiveness of the risk management and internal control framework.</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 strategy, culture, people, process, technology and 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, ABC Policy, and Whistleblowing Policy and Procedure.(ii) Standard operating procedures ("SOPs") for various operations(iii) Organisation structure with a proper segregation of duties(iv) Periodic operational review meetings to enhance internal control system <p>In addition to the ARMC, the Board has also appointed outsourced Internal Auditors to assess and evaluate the Group's internal control system and risk management. With the assurance provided by the Management and the Internal Auditors, the Board is satisfied that the Group's risk management and internal control system is operating adequately and effectively in FYE 2023 to safeguard the Group's assets, shareholders' investments and stakeholders' interests.</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 2023.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

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

Application	:	Adopted												
Explanation on adoption of the practice	:	<p>The Board has entrusted the ARMC to oversee the risk management framework and policies of the Group. The composition of ARMC comprises solely of INED, as follows: -</p> <table border="1"><thead><tr><th>Designation</th><th>Name</th><th>Directorship</th></tr></thead><tbody><tr><td>Chairman</td><td>Lim Joo Seng</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Lean Sze Yau</td><td>Independent Non-Executive Director</td></tr><tr><td>Member</td><td>Lee Li Choon</td><td>Independent Non-Executive Director</td></tr></tbody></table>	Designation	Name	Directorship	Chairman	Lim Joo Seng	Independent Non-Executive Director	Member	Lean Sze Yau	Independent Non-Executive Director	Member	Lee Li Choon	Independent Non-Executive Director
Designation	Name	Directorship												
Chairman	Lim Joo Seng	Independent Non-Executive Director												
Member	Lean Sze Yau	Independent Non-Executive Director												
Member	Lee Li Choon	Independent Non-Executive Director												

Intended Outcome

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

Practice 11.1

The Audit 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 ARMC holds the responsibility to ensure the effectiveness of the internal audit function of the Group. The duties and responsibilities of the ARMC in respect of the internal audit function are entailed in the Terms of Reference of the ARMC, including but not limited to: -</p> <ul style="list-style-type: none">(i) review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work; and(ii) review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Auditors. <p>The Group's internal audit function is outsourced to an independent professional firm, Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"). They report directly to the ARMC, preserving and ensuring its independence and objectivity in performing their functions. Through the ARMC, the Internal Auditors provide the Board with independent assessments and objective assurance on the adequacy and effectiveness of the Group's internal control system.</p> <p>The Internal Auditors will conduct internal audit reviews periodically based on the approved internal audit plan by the ARMC. Upon completion of each internal audit review, they will report the audit findings, along with root-cause analysis, potential risks and implications, as well as recommended corrective actions to the ARMC. Follow-up audits will also be conducted by the Internal Auditors to ensure the Management implements the agreed upon recommended corrective action plans within the agreed timeframe.</p> <p>The ARMC also ensures that the Internal Auditors have adequate information and resources to conduct internal audit reviews smoothly and effectively.</p> <p>For the FYE 2023, the Board is of the opinion that the Group's internal audit function is operating adequately, and there were no major weaknesses in the internal control system that would have a material 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 2023, the internal audit function was outsourced to an independent professional firm, Eco Asia.</p> <p>The internal audit engagement team is led by Mr. Woon Soon Fai, executive director of Eco Asia. Mr. Woon is a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants (“FCCA”), as well as an Associate Member of the Institute of Internal Auditors (“IIA”) Malaysia. He brings valuable expertise to the team with his extensive experience and exposure in internal audit field. For FYE 2023, Eco Asia has allocated a team of four (4) personnel, comprising one (1) Director, one (1) Manager, one (1) Senior Consultant and one (1) Associate Consultant to conduct the following internal audit reviews on our Group: -</p> <ul style="list-style-type: none">(i) Operation review on KGW Logistics (M) Sdn. Bhd.(ii) Operation review on Mattroy Logistics (Malaysia) Sdn. Bhd. <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>All Internal Auditors are free from any relationships or conflicts of interest that may impair their objectivity and independence in the course of their 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	:		

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 recognises the importance of maintaining a timely, transparent and effective communication with the shareholders and stakeholders to facilitate mutual trust and understanding of each other's objectives and expectations. The Board is committed to providing prompt, accurate, consistent and fair disclosure of the Group's business operations and development to the shareholders and the public.</p> <p>In ensuring an effective, transparent and regular communication between the Company and its stakeholders, the following communication channels are mainly used by the Company to disseminate information on a timely basis: -</p> <p>(i) <u>Company's website</u> The Company's website at www.kgwlogistics.com provides comprehensive and updated information about our Group and businesses, including access to the prospectus for our Initial Public Offering ("IPO"), corporate information such as our 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, 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 announcements, material updates and development regarding the Group, as well as periodic financial reports are made available to the public through announcements submitted to Bursa Securities. 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 outlines a comprehensive information on the Group, including business overview, financial performance, corporate governance, sustainability management, risk management, internal control system and the Group's prospects, which provides convenient source of reference for shareholders, investors and other stakeholders.</p> <p>Annual Report 2023 is the first annual report issued by the Company subsequent to its listing on the ACE Market of Bursa Securities on 1 August 2023.</p> <p>(iv) <u>General Meetings</u> General meetings serve as primary forum for dialogue with shareholders, where they can direct interact and communicate with the Board by raising any concerns and seeking clarifications from the Directors on the Group's businesses and affairs.</p> <p>(v) <u>Investor Relations</u> For Investor Relations related queries, the public may reach out to our dedicated representative at the following contact details:</p> <p>Tel No.: +603-7842 8899 Email: corporate@kgwlogistics.com</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

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

Practice 12.2

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

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

Intended Outcome

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

Practice 13.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The 2024 AGM, which is scheduled on 31 May 2024, will be the first AGM of the Company following its debut on the ACE Market of Bursa Securities on 1 August 2023, providing the Board its first opportunity to directly engage with shareholders since its listing. The Notice of the 2024 AGM accompanying the Annual Report 2023 will be issued to the shareholders on 30 April 2024, which is 31 days before the AGM to be held on 31 May 2024.</p> <p>This timeframe allows shareholders ample time to review the business agendas and consider the proposed resolutions that will be discussed and decided at the AGM, while also allowing them to make necessary arrangements for attending the virtual AGM either in person or by arranging for proxies to attend on their behalf, if so required. The notice of the AGM will also include the relevant information and detailed explanation on the proposed resolutions to enable shareholders to make well-informed decisions when exercising their voting rights.</p> <p>In addition, the Company will issue administrative guide along with the notice of AGM, which contains detailed explanations regarding the conduct of the virtual AGM, providing shareholders with a comprehensive understanding and guidance of their rights and entitlements as shareholders for attendance at the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 13.2

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 regards general meetings as an important avenue for shareholders to meet and engage with the Board, and it allows shareholders to address their concerns and hear directly from the Directors on how they are managing the Company's affairs. This enables the Board to communicate with its shareholders in a more holistic manner.</p> <p>The upcoming 2024 AGM scheduled to be held virtually on 31 May 2024, being the first AGM of the Company following its listing on the ACE Market of Bursa Securities, presents the first opportunity for the Board to meet and interact with the shareholders. Barring any unforeseen circumstances, all Directors, including the Chairmen of each Board Committee, have confirmed their attendance and participation for the forthcoming AGM, which will be conducted fully virtual and live-streamed from the broadcast venue on 31 May 2024. The Board will endeavour to facilitate discussions and provide meaningful explanations and responses to any questions and concerns raised by shareholders.</p> <p>The CFO and the External Auditors will also be invited to attend the AGM and to be available to address shareholders' enquiries as and when the need arises.</p> <p>Additionally, in order to facilitate a well-planned meeting schedule, an annual meeting calendar comprising the relevant dates of AGM, Board and Board Committees meetings will be prepared by the Management at the beginning of the financial year. These meetings are scheduled in advance to ensure all Directors and Board Committees members reserve their dates and make necessary arrangements to attend the meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>AGM serves as the primary forum for dialogue between the Board and shareholders where shareholders may raise questions or seek clarifications from the Board on the Company’s business.</p> <p>To promote greater shareholders’ participation at the AGM, the Company will conduct the 2024 AGM virtually, leveraging technology to facilitate remote shareholders’ participation and electronic voting (“e-voting”) for all resolutions using the remote participation and voting facilities (“RPV”) provided by ShareWorks Sdn Bhd via its online meeting platform, www.swsb.com.my. The virtual AGM will be live-streamed through the RPV facilities from the broadcast venue at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), where the Chairman, Directors and Company Secretaries in attendance. Detailed procedures and clear guidance for remote participation and e-voting by shareholders using the RPV, including submitting questions to the Company before or during the AGM proceedings in real time via typed texts, are provided in the administrative guide circulated to the shareholders along with the Notice of AGM.</p> <p>To ensure the orderly conduct of the AGM as well as credibility and fairness of the voting process, the Company has appointed ShareWorks Sdn Bhd as the Poll Administrator to conduct the polling process and has appointed Aegis Communication Sdn Bhd as the Independent Scrutineer to validate the voting results.</p> <p>The Board will take the necessary steps to ensure that the security, integrity and data privacy measures of the RPV provider are in place to protect the participants’ personal information and prevent cyber threats.</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 13.4

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 directly engage and communicate with the Board, including assessing the Group's performance and asking questions to seek clarification from the Board.</p> <p>At the beginning of the AGM, the shareholders will be briefed on their rights to participate and vote on the resolutions remotely, through the RPV platform. This briefing will guide the shareholders in their participation in the meeting.</p> <p>During the AGM, the Company will encourage active participation from shareholders by providing opportunities and sufficient time to raise questions through real time submission of typed texts. Shareholders can also submit questions to the Company before the AGM through the RPV platform.</p> <p>The Chairman will ensure that shareholders have the opportunity to engage with the Board and effectively participate in the AGM, while also ensuring that the Board and Senior Management address shareholders' queries with meaningful response, fostering interactive engagement during the AGM.</p> <p>The Company's corporate website provides additional channels for shareholders to engage, raise issues and provide feedback to the Company.</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

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.

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board commits to providing a seamless and effective virtual AGM experience for its shareholders. The Board leverages on technology by conducting its 2024 AGM, which is the first AGM of the Company following its listing on Bursa Securities, on a virtual basis. Shareholders will participate remotely in the AGM, casting their votes on all resolutions in real time, and engaging in two-way communication with the Board by submitting questions via RPV.</p> <p>To ensure the smooth conduct of the 2024 AGM proceedings, the Company has engaged ShareWorks Sdn Bhd to conduct the fully virtual 2024 AGM through live streaming and broadcasting via its RPV and online meeting portal www.swsb.com.my. Administrative Guides outline detailed guidance and procedures for remote participation and e-voting at the AGM will be shared with the shareholders in a clear and comprehensive manner.</p> <p>With the RPV, shareholders can exercise their rights to participate and communicate with the Chairman and the Board by submitting questions via real time submission of typed texts. The voting module of the RPV will be opened and made accessible to all shareholders, corporate representatives and proxies to submit their votes from the commencement of the AGM until the closure of the voting session.</p> <p>Additionally, shareholders will be able to submit questions to the Company prior the AGM through the RPV platform. All questions received in advance, as well as those submitted during the AGM in real time, will be displayed on screen and made visible to all meeting participants during the Questions and Answers (“Q&A”) session.</p> <p>The Chairman will ensure that the Board and Senior Management provide meaningful responses to all questions raised by the</p>

	<p>shareholders, promoting open and transparent communication between the Board, Senior Management and shareholders.</p> <p>The results of the poll, upon verification by the Independent Scrutineers, will be broadcasted to all meeting participants, and the Chairman will announce the poll voting results of the resolutions accordingly.</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

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	: KGW will be convening its first AGM in 2024 following its listing on the ACE Market of Bursa Securities on 1 August 2023, which is scheduled to be held on 31 May 2024. The minutes of the AGM serve as a valuable resource for shareholders and stakeholders as they provide a comprehensive understanding of the issues raised and discussed during the AGM. After the conclusion of the AGM, the draft minutes will be circulated to the Board for comments before it is confirmed as a correct record of proceedings. The Board will endeavour to make the minutes of the 2024 AGM available on the Company's website at www.kgwlogistics.com within 30 business days after the conclusion of the AGM. Additionally, the Board will ensure that the proceedings of the AGM, including questions raised by the shareholders and the Company's responses, are properly documented in the minutes of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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