

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises that sound corporate governance is integral to the effective discharge of its responsibilities in safeguarding shareholders' investments and protecting stakeholders' interests. In this regard, the Board remains committed to upholding strong corporate governance standards across the Group, in line with the principles and practices set out in the Malaysian Code on Corporate Governance ("MCCG") and the requirements of the AMLR.

In furtherance of this commitment, the Board is pleased to present this Corporate Governance Overview Statement ("CG Statement"), which provides a concise overview the manner in which the Group applied the following three (3) core principles of the MCCG throughout the Group during FYE 2025:

- Principle A - Board Leadership and Effectiveness;
- Principle B - Effective Audit and Risk Management; and
- Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement is prepared pursuant to Rule 15.25(1) of the AMLR with guidance from Guidance Note 11 of the AMLR.

Shareholders are encouraged to read this CG Statement alongside the Company's Corporate Governance Report 2025 ("CG Report"), which provides detailed disclosures on the implementation of each corporate governance practice. The CG Report can be accessed on the Bursa Securities' website or the Company's website at www.kgwlogistics.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. Board Leadership

The Board remains cognisant of its accountability to shareholders and stakeholders in creating sustainable value and safeguarding the long-term success of the Company's business. The Board is also committed to providing effective leadership in discharging its duties and responsibilities in the best interests of the Company and its subsidiaries.

Guided by the Board Charter, the Board's key responsibilities include, among others, the following:

- (i) reviewing and approving the Group's corporate plan and strategic initiatives, including corporate restructuring or streamlining and strategic alliances, ensuring they support long-term value creation while considering economic, environmental and social factors underpinning sustainability;
- (ii) overseeing the conduct of the Group's business operations and the performance of the Management;
- (iii) promoting a strong corporate governance culture within the Group that reinforces ethical, prudent and professional conduct;
- (iv) assessing and identifying the principal risks, risk appetite and ensuring the effective implementation of risk management framework;
- (v) reviewing the reports from each Board Committee and deliberating on their recommendations as well as reviewing the composition, performance and effectiveness of the Board Committees;
- (vi) reviewing the adequacy and integrity of the Group's internal control systems and management information systems; and
- (vii) ensuring the integrity of the Company's financial and non-financial reporting.

To enhance the Board's efficiency and effectiveness, the Board has delegated certain responsibilities and authorities to Board Committees. Following the restructuring of the Board Committees on 26 February 2025, the Company has three (3) Board Committees, namely the AC, SRMC and NRC. All Board Committees operate within their respective clearly defined Terms of Reference, which are available on the Company's website at www.kgwlogistics.com/corporate-governance/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**PART I: BOARD RESPONSIBILITIES (CONT'D)****1. Board Leadership (Cont'd)**

The Board is led by Tengku Faizwa Binti Tengku Razif, an Independent Non-Executive Chairperson, who is principally responsible for providing leadership to the Board, promoting sound corporate governance practices and ensuring the Board functions effectively. The Board Chairperson also plays an active role in facilitating Board deliberations, ensuring all agenda items tabled are properly considered, encouraging active participation, and allowing the expression of dissenting views.

The Board is committed to maintaining an appropriate balance of power, authority and accountability within the Company in support of strong governance and effective oversight. To achieve this, the positions of the Board Chairperson and Managing Director are held by two (2) different individuals. Tengku Faizwa Binti Tengku Razif, as Board Chairperson, is primarily responsible for providing leadership to the Board, promoting sound corporate governance practices, enhancing the Board's overall effectiveness, and facilitating an effective working relationship between the Board and Management. On the other hand, Dato' Roger Wong Ken Hong, as Managing Director, is entrusted with the responsibility of implementing the strategies and policies approved by the Board, overseeing the Group's operational performance, and managing the day-to-day business affairs of the Group. The clear segregation of responsibilities between the Board Chairperson and the Managing Director is set out in the Board Charter, thereby mitigating the risk of concentration of authority and unfettered decision-making.

In KGW, our Board Chairperson is not a member of the AC, SRMC or NRC of the Company, thereby supporting the effective and independent discharge of the Board Committees' respective responsibilities. Although the Board Chairperson was invited to attend the Board Committees' meetings but for limited purpose of providing observations, recommendations and input on matters discussed at these Board Committees' meetings. Her attendance at such meetings did not impair the objectivity or independence of the Board Committees, as she did not participate in the decision-making process nor in the approval of any resolutions, proposals or matters tabled at the respective Board Committees' meetings.

Throughout FYE 2025, the Board was supported by two (2) suitably qualified and competent Company Secretaries. At the beginning of the financial year, Mr. Chang Ngee Chuang and Ms. Thong Pui Yee served as the Company Secretaries of the Company. On 27 August 2025, Mr. Jeremy Tai Yung Wei was appointed in place of Mr. Chang Ngee Chuang. All Company Secretaries are qualified to act in such capacity pursuant to Section 235(2)(a) of the Companies Act 2016 and are members of the Malaysian Institute of Chartered Secretaries and Administrators.

The Company Secretaries support the Board by advising on corporate administration, governance matters and meeting procedures to facilitate the effective discharge of the Board's and Board Committees' functions. In doing so, they assist in ensuring compliance with applicable legal and regulatory requirements, corporate governance standards, and the fiduciary and statutory responsibilities of the Directors.

To promote full Board participation, an annual meeting calendar covering the scheduled meetings of the Board and Board Committees during the financial year is prepared and circulated to all Directors before the beginning of each calendar year, thereby allowing them ample time to reserve the dates and coordinate their schedule accordingly. Notices of meetings, together with the agenda and relevant meeting papers for each meeting, are distributed seven (7) days in advance to provide the Directors with sufficient time for thorough review, thoughtful consideration of agenda items, and when necessary, to obtain additional information from the Management for informed decision-making during the meetings. In addition, all Directors have full and unrestricted access to all information related to the Group's business and affairs, as well as timely access to the advice and services of the Company Secretaries and the Management, facilitating effective decision making and discharge of duties.

To enhance the efficiency in carrying out their responsibilities, the Company Secretaries have and will continue to stay informed about the latest regulatory and corporate governance developments through continuous training and industry updates. The Board is satisfied with the performance and competency of the Company Secretaries in discharging their duties and supporting the Board during the FYE 2025.

Guided by its Board Charter, the Board shall convene at least four (4) meetings during the financial year, with additional meetings to be convened as and when necessary. During FYE 2025, the Board convened a total of five (5) Board meetings, with the attendance of each Director detailed as below:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

Directors	Directorship	Meeting attendance
Tengku Faizwa Binti Tengku Razif	Independent Non-Executive Chairperson	5/5
Dato' Roger Wong Ken Hong	Managing Director	5/5
Cheok Hui Yen	Executive Director	5/5
Lim Joo Seng	Independent Non-Executive Director	5/5
Lean Sze Yau	Independent Non-Executive Director	3/5
Lee Li Choon	Independent Non-Executive Director	5/5

Note : Subsequent to FYE 2025, Ms. Cheok Hui Yen resigned and Mr. Chow Enn Jie was appointed as Executive Director of the Company, both with effect from 31 January 2026.

All Directors attended more than 50.0% of the Board meetings held during the FYE 2025, thereby fulfilling the minimum attendance requirement set forth in Rule 15.05 of the AMLR.

The Company Secretaries record all matters, discussions, deliberations, decisions and conclusions made during the meetings of the Board and Board Committees. Meeting minutes are then circulated to the respective Board and Board Committees on a timely basis for review and for confirmation at the subsequent meeting.

2. Board Charter

In line with the practices outlined in the MCCG, the Board has adopted a Board Charter to guide Directors in the effective discharge of their duties and responsibilities. The Board Charter articulates the Board structure and clearly delineates the roles and responsibilities of the Board, Board Committees, Board Chairperson, Executive Director and Independent Non-Executive Director. This clarity enhances the understanding of authority and establishes a well-defined segregation of duties.

The Board Charter was last reviewed by the Board on 26 February 2025 and is subject to periodic review, and updated as needed, to ensure it is updated in accordance with current legal requirements and to reaffirm its relevance in terms of objectives and responsibilities. The Board Charter is publicly available on the Company's website at www.kgwlogistics.com/corporate-governance/.

3. Business Ethics and Integrity

The Group is dedicated to conducting its business in a fair, transparent and responsible manner, and in compliance with all applicable laws and regulations. To this end, the Board has adopted the Code to promote high standards of ethical behaviour and good governance throughout the Group. The Code serves as a guideline for employees at all levels regarding their conduct and business practices, upholding the Group's commitment to professionalism, honesty and integrity at all times.

Furthermore, the Group has adopted an ABC Policy in line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), demonstrating a zero-tolerance stance towards bribery and corruption. The Group is committed to conducting its business professionally, fairly and with integrity in all relationships. This ABC Policy serves as a guide by outlining the principles and methods for addressing bribery and corruption related activities and issues when they arise.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

3. Business Ethics and Integrity (Cont'd)

As a complement to the Code and ABC Policy, the Group has also established a Whistleblowing Policy and Procedures to reinforce the Group's commitment to ethical and legal business operations. This policy aims to provide a secure reporting channel for individuals to raise genuine concerns related to suspected wrongdoings, business misconduct or malpractices without fear of discrimination, retaliation or harassment. If there is a reasonable belief or suspicion of malpractice or misconduct within the Group, whistleblowers are encouraged to report it through the secure channels prescribed in the Whistleblowing Policy and Procedures, i.e. by reporting directly to the Chairperson of AC via email, or by submitting a Whistle Blowing Form via the web-form available on the Company's website at www.kgwlogistics.com/anti-bribery-anti-corruption-and-whistle-blowing-policy. The Board is pleased to report that the Company has not received any whistleblower reports relating to breaches of the Company's policies or applicable laws and regulations during the FYE 2025.

Pursuant to Rule 15.01A of the AMLR, the Board has adopted the Directors' Fit and Proper Policy to set out the criteria for the appointment and re-appointment of Directors within the Group, focusing on character, experience, integrity, competence and time commitment. This policy serves as a valuable guide for the NRC and the Board in assessing candidates for appointment, as well as for Directors seeking re-appointment. By adhering to these standards, the Board possess the requisite qualities and capabilities to discharge their duties and responsibilities effectively.

The Code, ABC Policy, Whistleblowing Policy and Procedures, and Directors' Fit and Proper Policy are accessible on the Company's website at www.kgwlogistics.com/corporate-governance/.

PART II: BOARD COMPOSITION

4. Sustainability Governance

The Board acknowledges that sustainability has become an increasingly important consideration in the way businesses are managed and operated. In this regard, the Board assumes overall responsibility for the oversight of the Group's sustainability agenda, including the setting of sustainability direction, monitoring of sustainability priorities, and review of the strategies and objectives adopted by the Group in relation to EESG matters.

In discharging this responsibility, the Board conducts a thorough assessment of material matters. This assessment serves to identify and prioritise EESG related risks and opportunities. Drawing on the findings and results of assessment, the Board formulates sustainable strategies aligned with the United Nations' seventeen (17) Sustainable Development Goals. These strategies are designed to address the identified EESG priorities and contribute to a more sustainable future and outlook.

In addition, the Board recognises the importance of maintaining regular stakeholders' engagement in shaping sustainable strategies, priorities and targets. These engagements enable the Group to have better understanding on the needs and expectations of stakeholders, thereby align its sustainability initiatives with stakeholders' interests and concerns. A detailed Sustainability Statement as set out in this Annual Report would assist the stakeholders to understand the integration of EESG factors into the Group's operation.

To remain abreast of developments in the evolving sustainability landscape, the Board is committed to participating in relevant training and development programmes. This enables Directors to enhance their knowledge and understanding of sustainability-related matters, contribute meaningfully to Board deliberations, and stay informed of emerging sustainability trends, developments and challenges. Throughout FYE 2025, one third of our Board have attended training programmes related to sustainability matters, and a summary of the training attended by the Directors is set out in Section 5 of this CG Statement. Although not all Directors attended sustainability-related training programmes during the financial year, the Board was updated by the SRMC on the Group's risk management framework, internal controls and sustainability matters, including sustainability-related risks relevant to the Group's operations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

4. Sustainability Governance (Cont'd)

As part of the Group's sustainability initiatives, the Board, through the NRC, has conducted performance evaluation related to EESG or Sustainability, covering few aspects, amongst others, the Board's oversight of sustainability strategies, understanding of the EESG landscape, programme development, and awareness of sustainability-related risks and opportunities. This evaluation assessed the Directors' knowledge, competencies, experience and effectiveness in addressing the Group's material sustainability-related risks and EESG matters. Based on the outcome of the performance evaluation conducted for FYE 2025, the Board noted that the Company's EESG initiatives continued to be assessed positively, with the overall rating showing an improvement compared to the preceding financial year.

5. Board Diversity

Throughout FYE 2025 and up to the date of this Statement, the Board comprises six (6) members, including four (4) Independent Non-Executive Directors, one (1) Managing Director and one (1) Executive Director, as below: -

Directors	Directorship
Tengku Faizwa Binti Tengku Razif (f)	Independent Non-Executive Chairperson
Dato' Roger Wong Ken Hong	Managing Director
Cheok Hui Yen (f) (<i>Resigned on 31 January 2026</i>)	Executive Director
Chow Enn Jie (<i>Appointed on 31 January 2026</i>)	Executive Director
Lim Joo Seng (f)	Independent Non-Executive Director
Lean Sze Yau	Independent Non-Executive Director
Lee Li Choon (f)	Independent Non-Executive Director

Based on the current Board composition, the Board comprises a majority of Independent Non-Executive Directors, in compliance with the requirements of Rule 15.02 of the AMLR and Practice 5.2 of the MCCG. This Board composition supports greater objectivity, accountability and balanced decision-making, with the Independent Non-Executive Directors contributing independent judgement and impartial views in the Board's deliberations. Their presence safeguards the interests of the Company, shareholders and other stakeholders. Further details on the qualifications and experience of each Director are set out in the Profile of Board of Directors section of this Annual Report.

The Board also recognises the importance of diversity in strengthening its overall effectiveness, and values an appropriate mix of skills, experience, age, gender, cultural background and ethnicity within the boardroom. In support of this commitment, the Board has adopted the Directors' Fit and Proper Policy and Gender Diversity Policy, which establish clear criteria in the appointment of new Directors and the re-appointment of existing Directors. These policies assist the NRC and the Board in identifying and assessing suitably qualified candidates, with a view to ensuring that the Board remains well-balanced, resilient and capable of responding effectively to the Group's evolving needs and challenges. Both policies are available on the Company's website at www.kgwlogistics.com/corporate-governance/.

In terms of gender diversity, the Board recorded 66.7% female representation at Board level and 60.0% female representation within the Key Senior Management team throughout FYE 2025, exceeding both the recommended 30.0% women directors target under the MCCG and the minimum 30.0% threshold set out in the Gender Diversity Policy. This reflects the Board's ongoing commitment to fostering an inclusive and balanced governance structure, while recognising the value that diverse perspectives and experiences contribute to more effective decision-making processes. Nonetheless, gender is not regarded as a prerequisite for directorships or managerial positions within the Company or the Group. Appointments are made on the basis of merit and objective criteria to ensure that the most suitable and qualified candidates are selected, regardless of gender.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity (Cont'd)

As at the date of this Statement, none of Independent Non-Executive Directors of the Company had served for more than nine (9) years on the Board. The Board is cognisant that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended under Practice 5.3 of MCCG. If the Board wishes to retain an Independent Non-Executive Director who has served for a cumulative term of more than nine (9) years, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process at the Annual General Meeting ("AGM").

The NRC is responsible for overseeing the selection, appointment and re-appointment of Directors, while also conducting continuous assessments of their performance. In addition, the NRC also assists the Board in reviewing remuneration packages and benefits for Directors and Senior Management, ensuring they are fairly rewarded for their individual contributions to the Company or the Group. The detailed duties and responsibilities of the NRC are defined in its Terms of Reference, which is available on the Company's website at www.kgwlogistics.com/corporate-governance/.

The members of the NRC comprise exclusively Independent Non-Executive Directors and the composition of the NRC is as follows: -

Position	Name	Directorship
Chairperson	Lee Li Choon	Independent Non-Executive Director
Member	Lim Joo Seng	Independent Non-Executive Director
Member	Lean Sze Yau	Independent Non-Executive Director

The activities undertaken by the NRC related to nomination responsibilities for the FYE 2025 are as follows:

- reviewed the composition and effectiveness of the Board and Board Committees;
- reviewed the skills, experience and contribution of each individual Director;
- reviewed the performance of the Directors in relation to ESG or Sustainability;
- assessed the independence of Independent Directors;
- reviewed the tenure of each Director and recommended for re-election of retiring Directors to the Board to seek shareholders' approval at the forthcoming AGM;
- reviewed the training programmes attended by the Directors and training needs; and
- reviewed the term of office and performance of the AC.

Pursuant to Clause 135 of the Company's Constitution, one third (1/3) of the Directors of the Company for the time being shall retire by rotation at each AGM, and all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election at the AGM. The following Directors who retire by rotation and being eligible, have offered themselves for re-election at the forthcoming Fourth AGM:

- Mr. Lean Sze Yau; and
- Ms. Lee Li Choon.

Clause 137 of the Company's Constitution provides that any Director appointed during the financial year shall hold office only until the next AGM of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are retire by rotation at the AGM. Mr. Chow Enn Jie, who was appointed by the Board on 31 January 2026, shall therefore retire at the conclusion of the forthcoming Fourth AGM and, being eligible, has offered himself for re-election.

The NRC, after evaluating and being satisfied with the overall performance and contributions of the aforesaid retiring Directors, has recommended their re-election to the Board for further recommendation to the shareholders of the Company for consideration and approval at the forthcoming Fourth AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity (Cont'd)

To stay informed and updated on the latest developments, trends and issues, all Directors are required to attend various training programmes to enhance the Board's effectiveness in discharging its duties. The summary of the training programmes and seminars attended by the Directors during the FYE 2025 are as follows: -

Directors	Date	Training Programme/Seminar
Lim Joo Seng	19/03/2025 to 20/03/2025	Mandatory Accreditation Programme Part II: Leading for Impact
	24/04/2025	AEC Connect Day: 2025: The AI-Powered Future
	14/05/2025 to 15/05/2025	DataCentre & Cloud Infra Summit Malaysia 2025
	11/08/2025	Beyond SST Headlines: Impact & Compliance Challenges – Rental, Construction and Transitional Issues
	18/08/2025	Stamp Duty Self-Assessment: What HR and Finance Teams Must Fix Before 2026
	03/11/2025	Enhancing Sustainability Readiness for ACE Market
	04/11/2025	Tax Budget 2026 & Digital Conference: Unlocking Business Growth and Success
	25/11/2025	AOB Conversation with Audit Committee
	10/12/2025	Anti-Bribery & Corruption (ABC) Awareness Workshop
Lee Li Choon	04/11/2025	How are Boards Tracking the Progress and Quality of Sustainability Reporting?
	05/11/2025	The People Lab - A Taste of High-Performance Teams Unlock the Hidden Science of Teamwork (and Dutch Flavors) in Just One Afternoon

The Board recognises the importance of continuous professional development for Directors. During FYE 2025, Dato' Roger Wong Ken Hong, Mr. Lean Sze Yau and Tengku Faizwa Binti Tengku Razif did not attend any formal training programmes due to exceptional scheduling constraints arising from unavoidable business and professional commitments during the year. Nevertheless, they remained updated on relevant developments through internal briefings, discussions with Management and advisers, as well as self-reading on regulatory, financial and business matters. The Board acknowledges this non-compliance with the training expectation under the AMLR and will take the necessary steps to ensure that the said Directors attend relevant training programmes in the next financial year.

6. Overall Effectiveness of The Board

The NRC is tasked to carry out annual evaluation to assess the overall performance and effectiveness of the Board, Board Committees and each individual Director, while overseeing the entire process and methodology. The performance evaluation process was facilitated by the Company Secretaries and carried out through Directors' self-assessments and peer reviews. The Board conducted the annual assessment internally and considered the existing evaluation framework remained appropriate and effective.

Based on the assessment results for the FYE 2025, the Board, through the NRC, ascertained that the Board, Board Committees and individual Directors have effectively and satisfactorily fulfilled their duties and responsibilities throughout the year. The overall composition of the Board and the Board Committees is deemed well-balanced and appropriate based on their current size, skills mix, core competencies and experience.

The details of the performance evaluation criteria considered and assessment results are presented in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III: REMUNERATION

7. Remuneration

The key responsibilities of the NRC in relation to remuneration include, amongst others, the following:

- (i) formulating policies, procedures, and guidelines and setting criteria governing the remuneration framework for Directors and Senior Management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required;
- (ii) ensuring that all Directors and Senior Management are fairly rewarded in recognition of their individual contributions to the Group, with remuneration commensurate with their respective responsibilities and aligned with the Group's performance; and
- (iii) ensuring that the remuneration of Directors and Senior Management remains sufficiently competitive to attract, motivate and retain the right talent to support the Board and Senior Management in achieving the Group's long-term objective.

The Company has not yet formalised a standalone Remuneration Policy governing the remuneration for both Directors and Senior Management. In the absence of such policy, the Board Charter of the Company and the NRC's Terms of Reference serve as a guiding framework in determining the remuneration for Directors and Senior Management. The remuneration packages of the Executive Directors and Key Senior Management of the Company are determined by taking into account, amongst others, their respective scope of duties and responsibilities, skills, experience, corporate and individual performance, achievement of annual key performance indicators, as well as prevailing market practices and economic conditions. In the case of Independent Non-Executive Directors, remuneration is in the form of a basic fee, taking into account their roles and responsibilities at Board and Board Committee level, meeting attendance, as well as the skills, experience and expertise contributed by them to the Board. Such fees are fixed in amount and are not determined by reference to commissions or as a percentage of profits or turnover.

During FYE 2025, the NRC reviewed the remuneration packages of the Executive Directors, as well as the Directors' fees and benefits payable to the Independent Non-Executive Directors, before recommending to the Board for approval. To uphold fairness and transparency, every Directors shall abstain from participating in discussions and voting on matters concerning their own remuneration.

8. Remuneration of Directors and Senior Management

The details of the remuneration of the Directors for the FYE 2025 are disclosed as follows: -

Directors	← Company →		← Group →						
	Fees (RM'000)	Allowance (RM'000)	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Company Contributions (RM'000)	Other Emoluments (RM'000)	Benefits-in-Kind (RM'000)
Tengku Faizwa Binti Tengku Razif	72.0	2.5	72.0	2.5	-	-	-	-	-
Dato' Roger Wong Ken Hong	-	-	-	60.0	960.0	80.0	129.6	-	-
Cheok Hui Yen	-	-	-	-	180.0	-	23.0	-	-
Lim Joo Seng	36.0	2.5	36.0	2.5	-	-	-	-	-
Lean Sze Yau	36.0	1.5	36.0	1.5	-	-	-	-	-
Lee Li Choon	36.0	2.5	36.0	2.5	-	-	-	-	-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III: REMUNERATION (CONT'D)

8. Remuneration of Directors and Senior Management (Cont'd)

The Board is of the opinion that the detailed disclosure of remuneration of the Senior Management on a named basis would not be in the best interest of the Company due to the competitive environment, which could lead to talent retention challenges. After due consideration of sensitivity and confidentiality of remuneration details, the Board opted to disclose the remuneration of Senior Management (who are not Directors of the Company) received for the FYE 2025 in bands of RM50,000 on an unnamed basis in compliance with the MCCG, as follows: -

Range of Remuneration	Number of Senior Management
RM150,001 – RM200,000	1
RM250,001 – RM300,000	1
RM300,001 – RM350,000	1

The Board will ensure that the remuneration package remains competitive and appealing to attract, retain and incentivise the Senior Management.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT COMMITTEE

9. Effectiveness and Independence of AC

Currently, the AC comprises three (3) members, all of whom are Independent Non-Executive Directors, as below: -

Position	Name	Directorship
Chairperson	Lim Joo Seng	Independent Non-Executive Director
Member	Lean Sze Yau	Independent Non-Executive Director
Member	Lee Li Choon	Independent Non-Executive Director

The AC has been entrusted by the Board with responsibility for overseeing the Group's accounting, audit, internal controls and risk management functions. In adherence to Practice 9.1 of the MCCG, the positions of the Board Chairperson and the Chairperson of the AC are held by separate individuals. Tengku Faizwa Binti Tengku Razif serves as the Board Chairperson, while Ms. Lim Joo Seng serves as the Chairperson of the AC, both of whom are Independent Non-Executive Directors. This clear segregation of role reinforces the Board's objectivity and independence in considering the findings and recommendations of the AC.

All members of the AC are financially literate and possess the requisite knowledge, experience and expertise to discharge their duties and responsibilities effectively. All AC members also keep themselves abreast of the developments in accounting and auditing standards, practices and regulatory requirements through continuous professional developments and periodic updates from both the Management and External Auditors.

To promote the independence of the AC and in line with Practice 9.2 of the MCCG, the Terms of Reference of the AC provide that any former partner of the Company's external audit firm must observe a cooling-off period of at least three (3) years before being considered for appointment as a member of the AC. As at the date of this Report, none of the current AC members is a former audit partner of the Company's external audit firm or has been involved in the Group's audit process.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I: AUDIT COMMITTEE (CONT'D)

9. Effectiveness and Independence of AC (Cont'd)

The AC conducts an annual evaluation of the External Auditors by assessing their performance, suitability, objectivity and independence, as well as their quality of the audit and non-audit services rendered. In carrying out this assessment, the AC takes into consideration the following criteria:

- (i) the performance, suitability, objectivity and independence of the External Auditors;
- (ii) the adequacy of External Auditors' audit arrangements, particularly on the scope and quality of audit;
- (iii) the External Auditors' capacity, resources and ability to meet reporting deadlines and address issues in a timely manner, as specified in the Audit Planning Memorandum; and
- (iv) the nature and extent of non-audit services rendered by the External Auditors.

The Board, through the AC, conducted the annual performance evaluation of the External Auditors in respect of FYE 2025 to ensure that their performance and independence meet the required criteria. Additionally, the External Auditors, Messrs. Ecovis Malaysia PLT, have assured the Board of their independence throughout the audit engagement for FYE 2025 in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

The details of the key activities carried out by the AC during the FYE 2025 are set out in Audit Committee Report in this Annual Report.

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Effective Risk Management and Internal Control Framework

Recognising the importance of sound risk management and internal control system, the Board remains committed to maintaining and reinforcing a system that safeguards the Group's assets, protects shareholders' investments and upholds stakeholders' interests.

To facilitate this duty, the Board has established an Enterprise Risk Management ("ERM") framework to provide overall principles, guidance and approach for managing risks across the Group. The ERM framework adopted by the Company comprises five (5) key risk management procedures, including proactively identifying, analysing, responding, monitoring and reporting on the Group's risks.

In carrying out its oversight responsibilities, the Board, through the SRMC, oversees the identification and monitoring of the Group's principal business risks and challenges, including strategic, financial and operational risks, and reviews the adequacy and effectiveness of the Group's risk management and internal control systems on an ongoing basis. At the management level, Senior Management, under the leadership of the Managing Director, is responsible for implementing the strategies, culture, people, processes, technology and organisational structures, which are integral components of the ERM framework.

In addition, the Board has put in place various internal control measures, including company policies and SOPs, which help ensure the seamless functioning of business operations, aligning with principles of sound governance.

The composition of the SRMC comprises exclusively Independent Non-Executive Directors, as detailed in the table below:

Position	Name	Directorship
Chairperson	Lean Sze Yau	Independent Non-Executive Director
Member	Lim Joo Seng	Independent Non-Executive Director
Member	Lee Li Choon	Independent Non-Executive Director

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)****10. Effective Risk Management and Internal Control Framework (Cont'd)**

The key roles and responsibilities of the SRMC are as follows:

- (i) reviewing appropriate risk management strategies, policies and risk tolerances in line with the Group's business objectives and recommending to the Board for approval to safeguard shareholders' investments and the Company's assets;
- (ii) reviewing adequacy and effectiveness of the risk management process to identify key organisational risks and the systems and processes in place to manage those risks;
- (iii) overseeing the overall effectiveness of the Group's strategies, targets, policies and roadmap pertaining to sustainability recommended by the Sustainability Working Committee;
- (iv) establishing an effective Sustainability Policy and disclose the adequacy and effectiveness of the said policy; and
- (v) reviewing the Sustainability Statement for inclusion in the Annual Report.

The full duties and responsibilities of the SRMC are defined in its Terms of Reference, which can be accessed on the Company's website at www.kgwlogistics.com/corporate-governance/.

A comprehensive overview of the risk management and internal control in place within the Group is presented in the Statement on Risk Management and Internal Control of this Annual Report.

11. Internal Audit Function

To support the Board in its oversight of the adequacy and effectiveness of the Group's risk management and internal control system, the internal audit function has been outsourced to an independent professional firm, Eco Asia Governance Advisory Sdn Bhd. The Internal Auditors are independent and free from any relationships or conflicts of interest with the Group, thereby enabling them to perform their internal audit review work objectively, impartially and with due professional care. The Internal Auditors perform periodic internal audit reviews based on the approved internal audit plan, and report directly to the AC.

During FYE 2025, the Internal Auditors have conducted two (2) internal audit reviews on the financial general control and human resources and payroll management, in accordance with the International Professional Practice Framework ("IPPF").

In addition, the Board has put in place various internal control measures, including company policies and SOPs, which help ensure the seamless functioning of business operations, aligning with principles of sound governance.

To enable the effective discharge of their responsibilities, the Internal Auditors are accorded full and unrestricted access to the Group's records, information and relevant personnel. Upon completion of each review, the Internal Auditors present their findings to the AC together with the relevant root cause analysis, potential risks and implications, as well as recommendations for corrective actions. Follow-up reviews are subsequently undertaken to assess whether Management has implemented the agreed corrective action plans within the stipulated timeframe.

For FYE 2025, the Board was of the view that the Group's internal audit function had operated adequately, and there were no major weaknesses in the internal control system that would have a significant adverse impact on the Group's financial performance or operations requiring separate disclosures in this Annual Report.

Further details on the Group's internal audit function are provided in the Audit Committee Report and the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**PART I: ENGAGEMENT WITH STAKEHOLDERS****12. Communication between the Company and Stakeholders**

The Board acknowledges the importance of timely, transparent and effective communication with shareholders and stakeholders to build mutual trust and promote a clear understanding of the Group's objectives and direction. Aligned with the MCCG principles, the Board is committed to promoting transparent and regular engagement with the Group's stakeholders, including employees, shareholders, potential investors, suppliers and customers. To support this objective, the Group adopts the following communication channels and platforms:

- (i) Company's website;
- (ii) Corporate announcements made to Bursa Securities;
- (iii) Annual Report;
- (iv) General meetings; and
- (v) Investor Relations.

The general public may also reach out to the Company through the "Contact Us" section on our Company's website at www.kgwlogistics.com/contact-us/ for the submission of enquiries, feedback, suggestions or complaints. In addition, the Company has identified designated personnel to attend to various matters raised by the public, amongst others, overseas agent inquiry, sales/marketing department, customer service/operations department, where the respective contact numbers and emails are also available on our Company's website. Through these channels, the Board is able to maintain effective, transparent and timely engagement with stakeholders to support informed understanding and decision-making.

In disclosing information to stakeholders, the Company endeavours to ensure that such disclosure is timely, fair and adequate. Nevertheless, the Board remains cognisant of the legal and regulatory requirements governing the dissemination of material and price-sensitive information.

PART II: CONDUCT OF GENERAL MEETINGS**13. Effective General Meetings**

The AGM serves as the primary platform for direct and meaningful communication between the Board and shareholders. At the AGM, the Board updates shareholders on the Group's progress and performance for the latest financial year, while shareholders are provided with the opportunity to raise questions and seek clarification on the Company's financial performance, as well as the Group's operations and development.

The notice of the Third AGM of the Company was issued and circulated to shareholders on 29 April 2025, which was at least twenty-eight (28) days prior to the meeting held on 28 May 2025, in line with the best practice recommended by the MCCG. This provided shareholders with sufficient time to review the Company's Annual Report, consider the proposed resolutions, and make the necessary arrangements either to attend and participate in the AGM in person or to appoint a proxy to attend and vote on their behalf.

In compliance with Rule 8.29A of the AMLR, the Third AGM was conducted physically at a venue within the capital city vicinity, ensuring easy accessibility for the public shareholders and avoiding remote locations. Shareholders who are unable to attend the physical meeting were allowed to appoint a proxy to attend and vote on their behalf, provided that the proxy form was lodged at the office of the Company's Share Registrar at least 48 hours prior to the meeting.

At the Third AGM, the Board has demonstrated its commitment to shareholder engagement through full attendance at the meeting. The Board Chairperson, along with the chairpersons of the Board Committees and Key Senior Management, addressed the questions and concerns raised prior to the meeting as well as those during the meeting.

To ensure that the polling process was conducted in a fair, orderly and transparent manner, the Board engaged ShareWorks Sdn Bhd as the poll administrator to conduct the polling process, and Sharepolls Sdn Bhd as the independent scrutineer to validate the voting results.

Following the conclusion of the meeting, the minutes of Third AGM was published on the Company's website at www.kgwlogistics.com/corporate-updates/ within thirty (30) business days from the meeting date.

COMPLIANCE STATEMENT

The Board is of the view that the Company has complied with the key principles and applied most of the practices of the MCCG throughout FYE 2025, except for the below where explanations on the departure are disclosed in the CG Report for the FYE 2025:

- Practice 1.4: The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.
- 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.
- 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.
- 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.
- 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.

The Board is committed to upholding high standards of corporate governance by continuously adopting the principles and best practices embodied in the MCCG, together with other applicable legal and regulatory requirements, where appropriate.

This CG Statement was reviewed and approved by the Board on 20 April 2026.

AUDIT COMMITTEE REPORT

Pursuant to Rule 15.15(1) of the AMLR, the Board is pleased to present this AC Report, which outlines the manner in which the AC discharged its duties and responsibilities for the Group during FYE 2025.

COMPOSITION AND MEETINGS

The AC is established to assist the Board in discharging its fiduciary duties and responsibilities, particularly in overseeing the Group's corporate accounting, financial reporting as well as the effectiveness and independence of both external and internal audit functions within the Group.

To support the effective discharge of its duties, the AC operates within a clearly defined Terms of Reference, which set out the committee's authority, duties, responsibilities, meeting proceedings and reporting procedures. The Terms of Reference is publicly accessible on the Company's website at <https://www.kgwlogistics.com/corporate-governance/>.

In a move to sharpen governance focus, the Board resolved on 26 February 2025 to restructure the former Audit and Risk Management Committee into two (2) distinct committees, namely the AC and the SRMC. Despite the restructuring, the members of the AC remained unchanged throughout FYE 2025, comprising exclusively Independent Non-Executive Directors in compliance with Rule 15.09(1) of the AMLR and Practice 9.4 of the MCCG. Furthermore, none of the members are alternate directors or former key audit partners of the Group's external auditors, as stipulated under Rule 15.09(2) of the AMLR and Practice 9.4 of the MCCG.

The composition of the AC and the attendance record of each member at meetings held during FYE 2025 are as follows:

Designation	Name	Directorship	Meeting Attendance
Chairperson	Lim Joo Seng	Independent Non-Executive Director	5/5
Member	Lean Sze Yau	Independent Non-Executive Director	3/5
Member	Lee Li Choon	Independent Non-Executive Director	5/5

Ms. Lim Joo Seng, the AC Chairperson, is a member of CPA Australia and the MIA, thereby satisfying the financial literacy requirement under Rule 15.09(1)(c) of the AMLR and Practice 9.5 of the MCCG. Ms. Lim does not concurrently serve as the Board Chairperson, in line with Practice 9.1 of the MCCG. This separation of roles enhances the objectivity and independence of the AC's oversight over the Group's financial reporting process, internal controls and audit functions, thereby underpinning the credibility of the Group's governance framework.

Under the AC's Terms of Reference, the AC is required to convene at least four (4) times per financial year to address matters relating to corporate accounting, financial reporting as well as internal and external audit. Yang Mulia Tengku Faizwa Binti Tengku Razif, the Board Chairperson, was invited to attend the meetings to offer her inputs and recommendations on matters raised.

To further facilitate the discussions, Dato' Roger Wong Ken Hong, our Managing Director, Ms. Cheok Hui Yen, our Executive Director (who resigned on 31 January 2026), Ms. Wendy Kam, our CFO, Mr. Chow Enn Jie, our Sales and Marketing Director and Ms. Teoh Huey Hong, our Customer Care Director, were invited to all AC meetings to provide additional information and clarification on operational, financial and audit related matters. Representatives of Sponsor, External Auditors, Internal Auditors and other advisers were also invited to the AC meetings as and when necessary to deliberate on matters within their purview.

To ensure productive deliberation, the AC meeting agenda and supporting materials were circulated to the AC members in advance of each session, allowing the members to have ample time for review and preparation. The Company Secretaries were present at all the meetings to record the proceedings and prepare the meeting minutes, which were tabled at the subsequent AC meeting for confirmation before being presented to the Board for notation.

SUMMARY OF WORK OF THE AC

In fulfilling its oversight responsibilities during FYE 2025, the AC undertook the following activities pursuant to its Terms of Reference: -

(A) Financial Reporting

- (i) Reviewed the Group's financial reporting process to ensure its alignment with the Company's SOPs and all disclosures are made in compliance with the applicable Malaysian Financial Reporting Standards ("MFRS"), Companies Act 2016 ("CA 2016") and AMLR;
- (ii) Reviewed the unaudited quarterly financial results before recommending them to the Board for approval and subsequent announcement to Bursa Securities; and
- (iii) Assessed the annual audited financial statements with the External Auditors, focusing on the appropriateness of accounting policies, significant audit adjustments and issues, key judgements exercised by the Management Team, significant and unusual events, going concern assumptions as well as adherence to the relevant accounting standards and other legal requirements before recommending them for the Board's approval and inclusion in the annual report.

(B) External Audit

- (i) Reviewed and approved the Audit Planning Memorandum, which covered the audit approach, materiality thresholds, areas of audit emphasis, target completion timeline as well as proposed audit fee;
- (ii) Considered the Audit Review Memorandum and deliberated on matters including audit progress, significant audit and accounting areas, proposed improvements to internal control and compliance with applicable laws and regulations;
- (iii) Conducted a private meeting with the External Auditors on 22 April 2025 in the absence of Executive Directors and the Management Team to receive feedback from the External Auditors on the audit process and to discuss key audit issues in an objective manner; and
- (iv) Assessed the effectiveness and performance of the External Auditors by evaluating their independence, suitability, objectivity, professional competency and adequacy of resources, before recommending their reappointment at the forthcoming AGM.

(C) Internal Audit

- (i) Reviewed and approved internal audit plan presented by the Internal Auditor, which outlined the proposed scope, timeline and proposed fees for the internal audit services;
- (ii) Considered and deliberated on the internal audit reports, which detailed the findings, root-cause analysis, recommended corrective actions and Management's responses, together with the designated implementation timelines and the responsible parties. The outsourced Internal Auditors also provided updates on the status of previously reported findings to ensure that identified deficiencies had been duly rectified. The AC subsequently briefed the Board accordingly and highlighted the salient points for their attention; and
- (iii) Assessed the independence, professional qualifications, resource adequacy and overall performance of the outsourced Internal Auditors.

(D) Risk Management and Internal Control

- (i) Reviewed the adequacy and effectiveness of the Group's risk management and internal control system and ensured that it is being regularly monitored; and
- (ii) Put forward recommendations to the Board on measures to enhance the Group's risk management and internal control system, taking into consideration the findings and recommendations provided by both the Internal and External Auditors as well as Management's responses in mitigating such identified control deficiencies.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE AC (CONT'D)

In accordance with its Terms of Reference, the AC has carried out the following activities during the financial year under review: - (Cont'd)

(E) Related Party Transactions (“RPT”), Recurrent RPT (“RRPT”), Conflict of Interest (“COI”) and/or Potential COI

- (i) Reviewed all RPT and RRPT entered into by the Group and ensured that all the transactions were carried out at arm's length basis and on normal commercial terms. All RPT and/or RRPT are closely monitored and reviewed by the AC on a quarterly basis; and
- (ii) Reviewed and deliberated on COI and/or potential COI situations that arose, persisted or may arise within the Group, ensuring compliance with provisions of the AMLR. No COI or any potential COI was reported during the financial year under review.

(F) Other Matters

- (i) Reviewed the AC Report, Statement on Risk Management and Internal Control, CG Statement, CG Report and Additional Compliance Information prior to recommending them for the Board's approval.

INTERNAL AUDIT FUNCTION

To maintain a sound internal control and risk management system, the Group's internal audit function has been outsourced to Eco Asia, an independent professional firm. The Internal Auditors report functionally to the AC and are charged with providing an independent and objective assessment on the adequacy and effectiveness of the Group's internal control and risk management system.

The following internal audit reviews were performed during FYE 2025, in accordance with the internal audit plan duly approved by the AC and in compliance with the IPPF: -

Internal Audit Scope	Coverage Period
Finance General Control Review	Quarter 2, FYE 2025
Human Resources and Payroll Management Review	Quarter 3, FYE 2025

The internal audit engagements were led by Ms. Janeeta Salim, the Head of Department of Eco Asia, with the support of one (1) Assistant Manager, two (2) Senior Consultants and two (2) Junior Consultants. Ms. Janeeta is an Associate Member of the Institute of Internal Auditors and possesses extensive experience in the internal audit profession. Throughout the internal audit engagements, the Internal Auditors were granted full and unrestricted access to all information and resources necessary for the effective discharge of their duties.

To safeguard the independence of the internal audit function, the Board, through the AC, has confirmed that the Internal Auditors are free from any relationship and/or conflict of interest with the Group that could compromise their objectivity and independence. Hence, the Board is satisfied that the outsourced internal audit function is independent and has performed their duties adequately and effectively.

Upon completion of each review, the Internal Auditors tabled their internal audit report to the AC at a scheduled meeting, detailing the audit findings, root-cause analysis and proposed recommendations for deliberation. Based on the internal audit reviews conducted during FYE 2025, we are pleased to report that no significant weaknesses were identified in the internal control system that could result in any material losses, contingencies or uncertainties nor any matters requiring separate disclosure in this Annual Report. Further details of the internal audit function are presented in the Statement on Risk Management and Internal Control in this Annual Report.

The total cost incurred for the outsourced internal audit function of the Group for FYE 2025 amounted to RM33,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In compliance with Rule 15.26(b) of the AMLR, the Board is pleased to present the Statement on Risk Management and Internal Control, which outlines the nature, key features and scope of our Group’s risk management and internal control system during FYE 2025. This statement has been prepared in accordance with Practices 10.1 and 10.2 of the MCCG and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

A sound risk management and internal control system is central to good corporate governance. The Board remains steadfast in its commitment to upholding a framework that protects shareholders’ investments, safeguards stakeholders’ interests and preserves the Group’s assets.

On 26 February 2025, the Board restructured its committees’ composition, separating the former Audit and Risk Management Committee into two (2) distinct committees, namely the AC and the SRMC. Under this revised governance structure, the SRMC has assumed the responsibility of supporting the Board in overseeing the adequacy and effectiveness of the Group’s risk management framework, internal controls and sustainability matters.

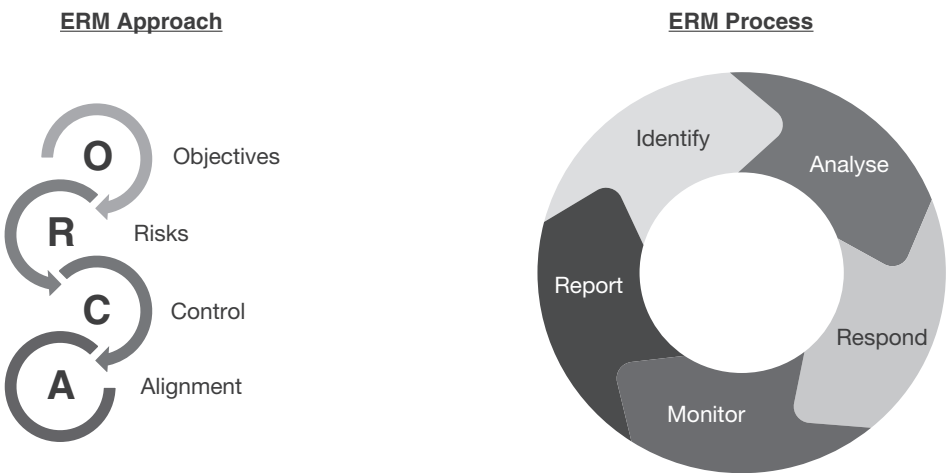
The Board acknowledges that while the risk management and internal control system is well maintained, they are inherently designed to manage risk within an acceptable risk profile rather than eliminate it entirely. Accordingly, this system provides reasonable, but not absolute, assurance against material financial misstatement, loss, fraud or unforeseeable events.

Despite these inherent limitations, the Board is satisfied that the Group’s risk management and internal control system has operated adequately and effectively in all material aspects throughout the financial year under review and up to the date of approval of this Annual Report, subject to ongoing review.

RISK MANAGEMENT SYSTEM

Risk management is integral to the Group’s business operations and serves as a key enabler of sustainable growth and long-term value creation. The Group places strong emphasis on the continued development of its ERM framework to ensure that risks are systematically identified, assessed and managed across all levels of the Group.

Within the Group’s ERM framework, the ERM Approach and ERM Process are closely associated and interlinked. The ERM Approach establishes the principles and methodologies that guide the consistent application of risk management across the Group, while the ERM Process defines the structured procedures for identifying, managing and addressing risks. An overview of both components is illustrated below: -



RISK MANAGEMENT SYSTEM (CONT'D)

Under the ERM Framework, the Group's ERM Approach applies the ORCA methodology in the execution of its strategy, the achievement of business objectives and its daily operations, as follows:

- Defining clear objectives and desired outcomes for the Group;
- Identifying risks that may impede the achievement of those objectives;
- Developing appropriate risk responses and implementing effective control measures; and
- Aligning objectives, risks and controls across the Group in accordance with its defined risk appetite and tolerance.

The Group's ERM Process follows a structured five (5) step approach, with regular and meaningful communication embedded at each stage to ensure the effectiveness of risk management: -

1) Risk Identification

Potential risks to business objectives are identified and categorised by source. This categorisation facilitates root cause analysis and the clear assignment of accountability for risk responses.

2) Risk Analysis

Each identified risk is evaluated based on its likelihood of occurrence and potential impact. The identified risks are then classified into three (3) risk levels, namely high, medium and low, and documented into the Group's Risk Register, which is subject to periodic review.

3) Risk Response

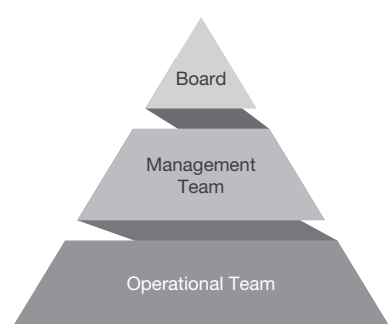
Tailored response strategies and action plans are formulated to bring risk exposures within the Group's defined risk appetite and tolerance levels at a reasonable cost. The available response options are accept, mitigate, avoid, transfer or exploit the risk, depending on the nature of the risks.

4) Risk Monitoring

The efficiency and effectiveness of the risk responses are continuously evaluated through a combination of ongoing communication, periodic reviews as well as independent assessments conducted at appropriate levels within the Group.

5) Risk Reporting

Risk ownership is clearly assigned, with risk owners responsible for reporting the current status of risks and the progress of corresponding response measures.



The Group has put in place a tiered governance structure to ensure clear accountability for risk management. At the top of this structure, the Board holds the ultimate responsibility for setting the Group's ERM policy and framework, while the Management is tasked with its day-to-day execution. All ERM activities are monitored and reported upwards through the Group's reporting hierarchy.

Under the Board's leadership, the Management Team oversees the Group's risk profile, evaluates the adequacy of existing controls, reviews emerging risks, maintains and updates the Risk Register and reports regularly to the Board. Any significant issues or incidents are promptly escalated to the Board for further consideration.

At the operational level, all employees are required to adhere to the ERM framework in the discharge of their duties and to escalate any emerging risks to the Management Team when identified.

INTERNAL CONTROL SYSTEM

Effective risk management is underpinned by a well-maintained internal control system. With the SRMC now overseeing both risk management and internal controls, the Management Team has been entrusted with embedding appropriate internal control measures into the Group's day-to-day operations. The internal control system is subject to periodic review to ensure it remains fit for purpose and responsive to changing circumstances.

Among others, the following key internal controls were in place across the Group: -

- (i) A formal Board Charter for the Board and Terms of References for the Board Committees (i.e. AC, SRMC and NRC) were established, setting out clear duties, responsibilities and limits of authority;
- (ii) A well-defined organisational structure with distinct roles, responsibilities and reporting lines was maintained to ensure proper segregation of duties and effective delegation of authority;
- (iii) A comprehensive set of policies and procedures, including the Code, ABC Policy and Whistleblowing Policy and Procedures, was implemented and reviewed periodically to promote integrity and ethical conduct across the Group;
- (iv) A Directors' Fit and Proper Policy was in place to provide the NRC with objective criteria for evaluating the suitability of candidates for appointment or reappointment to the Board;
- (v) SOPs were documented across various operational areas to drive process consistency and ensure alignment with the Group's strategic objectives;
- (vi) Robust financial reporting procedures were observed, with the AC reviewing the unaudited quarterly financial results, annual audited financial statements, RPT, RRPT and COI matters (if any) before recommending them for the Board's approval;
- (vii) The Group's ISO 9001:2015 accredited Quality Management System was upheld through annual ISO surveillance audits conducted by an external certification body, supported by a Quality Policy that guides the Group towards more stringent quality control;
- (viii) An independent outsourced Internal Auditor with adequate resources, capabilities and relevant experience was engaged to assess the adequacy and effectiveness of the Group's internal controls; and
- (ix) Internal audit reports were reviewed and deliberated upon by the AC and the Board to ensure that timely corrective actions are implemented to address identified internal control weaknesses.

INTERNAL AUDIT FUNCTION

In accordance with Rule 15.27 of the AMLR, the Group's internal audit function is outsourced to Eco Asia, an independent professional firm. The Internal Auditors are engaged to assist the Board and AC in providing an independent and objective evaluation of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system.

During FYE 2025, the following internal audit reviews were carried out in accordance with the audit plan approved by the AC: -

Internal Audit Scope	Coverage Period
Finance General Control Review	Quarter 2, FYE 2025
Human Resources and Payroll Management Review	Quarter 3, FYE 2025

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION (CONT'D)

Upon completion of each engagement, the Internal Auditors presented their findings to the AC during its scheduled meetings, together with root cause analysis and recommended corrective actions. The Management was subsequently responsible for implementing the agreed actions to address the identified internal control weaknesses within the agreed timeframe. Follow-up reviews were then conducted by the Internal Auditors to verify implementation progress, with outcomes reported directly to the AC.

Based on the internal audit reviews conducted during FYE 2025, no significant weaknesses were identified in the internal control system that could have given rise to material losses, contingencies or uncertainties, nor were there any matters requiring separate disclosure in this Annual Report.

The total cost incurred for the outsourced internal audit function of the Group for FYE 2025 amounted to RM33,000.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Rule 15.23 of AMLR, for inclusion in the Annual Report of the Company for the FYE 2025.

Their review was conducted in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report* issued by the MIA. AAPG 3 does not require the External Auditors to assess whether this Statement addresses all the risks and controls, nor to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon.

Based on their review, nothing has come to their attention that causes them to believe that this statement has not been prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies.

MANAGEMENT'S ASSURANCE

The Board has received reasonable assurance from the Managing Director and Executive Director, on behalf of the Management, that the Group's risk management and internal control system continue to operate adequately and effectively in all material aspects. The Board is accordingly satisfied that no issues have come to their attention that would render the financial results and information provided to be false or misleading in any material aspect.

CONCLUSION

The Board is of the view that the Group's risk management and internal control system remains effective and well aligned with the Group's business objectives, with risk exposures maintained within the defined risk appetite and tolerance levels. The Board is satisfied that the Group's risk management and internal control system is deemed sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets. There were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies that would require separate disclosure in this Annual Report.

Nevertheless, the Board recognises the importance of ongoing improvements to the Group's risk management and internal control system. As business conditions and regulatory developments evolve, the Board and the Management remain committed to strengthening the Group's risk management and internal control system to ensure it stays relevant, robust and responsive.

This Statement on Risk Management and Internal Control was approved by the Board on 20 April 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

In accordance with the CA 2016 and the AMLR of Bursa Securities, the Directors are responsible for preparing the financial statements of the Company and the Group for each financial year in compliance with the applicable MFRS, International Financial Reporting Standards ("IFRS"), CA 2016 and AMLR.

The Directors are also responsible for ensuring that the financial statements present a true and fair view of the financial position of both the Group and the Company as at 31 December 2025, as well as their financial performance and cash flows for FYE 2025.

For the preparation of the FYE 2025 financial statements, the Board is satisfied that the Directors have: -

- Adopted and applied appropriate accounting policies consistently and prudently;
- Ensured compliance with all applicable accounting standards, including MFRS, IFRS and CA 2016, with any significant departures clearly explained in the financial statements;
- Exercised judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

Additionally, the Directors bear responsibility for ensuring that proper accounting records and other relevant documents are maintained at all times to support the preparation of the Group's and the Company's financial statements with reasonable accuracy in accordance with CA 2016.

The Directors have also implemented appropriate measures to safeguard the assets of the Company and the Group, and to prevent and detect fraud and other irregularities. These measures, by their nature, provide reasonable assurance and not absolute assurance against material misstatements, loss or fraud.

This statement was approved by the Board on 20 April 2026.



(Incorporated in Malaysia)
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REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2025

ECOVIS MALAYSIA PLT
201404001750 (LLP0003185-LCA) & AF 001825
Chartered Accountants

REPORTS AND FINANCIAL STATEMENTS

for the financial year ended 31 DECEMBER 2025

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries and an associate are disclosed in Note 6 and Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

Results	Group RM	Company RM
Profit/(Loss) for the financial year attributable to:		
Owners of the Company	314,513	(580,841)
Non-controlling interests	(54,890)	-
	<u>259,623</u>	<u>(580,841)</u>

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any final dividend in respect of the current financial year.

Directors

The Directors of the Company who served during the financial year up to the date of this report are:

Dato' Roger Wong Ken Hong**	
Yang Mulia Tengku Faizwa Binti Tengku Razif	
Chow Enn Jie*	(Appointed on 31 January 2026)
Lim Joo Seng	
Lee Li Choon	
Lean Sze Yau	
Cheok Hui Yen	(Resigned on 31 January 2026)

* Director of the Company and certain subsidiaries.

The Directors of the subsidiaries who served during the financial year and up to the date of this report are:

Datin Wong Wan Jye	
Yap Zhe Xien#	
Dato' Tan Bok Koon	(First director)
Dato' Yee Foo Wah	(First director)
Lai Yong Han	(First director)

#One of the subsidiary was struck off on 21 April 2025.

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests other than any deemed benefit which may arise from transactions as disclosed in Note 30.2 to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, was the Company a party to any arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Directors' remunerations

Directors' remuneration paid to or receivable by Directors from the Company and subsidiaries of the Company in respect of the financial year are as follows:

	Group RM	Company RM
Fees	180,000	180,000
Salaries, allowances and bonus	1,230,400	9,000
Defined contribution plan	141,040	-
Social security contributions	2,500	-
Employment insurance system contributions	286	-
	1,554,226	189,000

Directors' interest

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), the Directors in office at the end of the financial year who had interest in shares of the Company and of its related corporations during the financial year (including the interests of the spouses of the Directors who themselves are not Director of the Company), are as follows:

	Number of ordinary shares			
	At 01.01.2025	Bought	Sold	At 31.12.2025
Interest in the Company:				
<u>Direct interest:</u>				
Dato' Roger Wong Ken Hong	295,291,817	6,011,100	(16,897,950)	284,404,967
Cheok Hui Yen	31,213,359	-	-	31,213,359
Lim Joo Seng	500,000	-	-	500,000
Lee Li Choon	500,000	-	-	500,000
Chow Enn Jie	19,092,128	-	-	19,092,128
<u>Deemed interest:</u>				
Dato' Roger Wong Ken Hong #	1,123,500	-	-	1,123,500

Deemed interested by virtue of the interest of his spouse, Datin Wong Wan Wye pursuant to Section 8 of the Act.

By virtue of their interests in the ordinary shares of the Company, the above Directors are deemed to have interest in the shares of the subsidiaries to extent that the Company has interest.

Issue of shares and debentures

During the financial year, there were no new issue of shares or debentures by the Company.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance of doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowances for doubtful debts had been made; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts and the amount of the allowance of doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) not otherwise dealt with in the report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- (iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company as disclosed in Note 34 to the financial statements.

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiaries and an associate

The details of the Company's subsidiaries and an associate are disclosed in Note 6 and Note 7 to the financial statements.

Significant event subsequent to the end of the financial year

The details of the significant event subsequent to the end of the financial year is disclosed in Note 37 to the financial statements.

Indemnity and insurance for Directors, officers and auditors

No indemnity has been given to or insurance effected for the Directors and officers of the Company, other than liability insurance up to an aggregate limit of RM3,000,000 provided to the Directors and officers of the Company in accordance with Section 289 of the Act. The amount of insurance premium paid is RM5,950.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

Auditors

The auditors, ECOVIS Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the financial year is RM138,000 and RM35,000 for the Group and the Company respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

Dato' Roger Wong Ken Hong
Director
20 April 2026

Chow Enn Jie
Director

STATEMENT BY DIRECTORS

Pursuant To Section 251(2) Of The Companies Act, 2016

We, **Dato' Roger Wong Ken Hong** and **Chow Enn Jie**, being two of the Directors of **KGW Group Berhad**, state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

Dato' Roger Wong Ken Hong
Director

Chow Enn Jie
Director

20 April 2026

STATUTORY DECLARATION

Pursuant To Section 251(2) Of The Companies Act, 2016

I, **Dato' Roger Wong Ken Hong**, being the Director primarily responsible for the financial management of **KGW Group Berhad**, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Petaling Jaya in the
Selangor Darul Ehsan on 20 April 2026

Before me,

Dato' Roger Wong Ken Hong

Commissioner for Oaths

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

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		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	5	27,792,941	26,836,070	-	-
Investment in subsidiaries	6	-	-	12,349,100	12,094,100
Investment in an associate	7	-	-	1,750	-
Deferred tax assets	8	832,956	119,410	-	-
		28,625,897	26,955,480	12,350,850	12,094,100
Current assets					
Inventories	9	81,208	88,922	-	-
Trade receivables	10	11,889,054	11,508,066	-	-
Other receivables, deposits and prepayments	11	1,635,255	441,144	14,058	11,800
Contract costs	12	3,767,100	3,212,956	-	-
Amount owing by subsidiaries	13	-	-	11,370,500	12,303,000
Amount owing by an associate	13	838	-	-	-
Tax recoverable		1,730,777	1,120,722	4,852	8,612
Investment in other financial asset	14	497,512	-	-	-
Fixed deposits with licensed banks		16,900,420	17,738,132	-	-
Cash and bank balances	15	4,767,325	5,158,302	70,937	16,037
		41,269,489	39,268,244	11,460,347	12,339,449
Total assets		69,895,386	66,223,724	23,811,197	24,433,549
Equity and liabilities					
Equity					
Share capital	16	28,167,136	28,167,136	28,167,136	28,167,136
Merger reserve	17	(10,594,100)	(10,594,100)	-	-
Retained earnings/(Accumulated losses)		30,317,980	30,003,467	(4,456,493)	(3,875,652)
Total equity attributable to shareholders of the Company		47,891,016	47,576,503	23,710,643	24,291,484
Non-controlling interests	18	190,110	(9,329)	-	-
Shareholders' equity		48,081,126	47,567,174	23,710,643	24,291,484
Liabilities					
Non-current liabilities					
Borrowings	19	5,239,945	5,334,737	-	-
Lease liabilities	20	1,226,028	200,218	-	-
		6,465,973	5,534,955	-	-
Current liabilities					
Trade payables	21	5,231,142	3,774,084	-	-
Other payables, accruals and deposit received	22	4,821,261	4,969,916	100,554	142,065
Contract liabilities	23	4,468,237	2,917,895	-	-
Borrowings	19	386,933	1,254,188	-	-
Lease liabilities	20	440,714	205,512	-	-
		15,348,287	13,121,595	100,554	142,065
Total liabilities		21,814,260	18,656,550	100,554	142,065
Total equity and liabilities		69,895,386	66,223,724	23,811,197	24,433,549

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	24	105,063,162	134,229,571	-	-
Cost of sales		(87,838,761)	(116,592,899)	-	-
Gross profit		17,224,401	17,636,672	-	-
Other income	25	1,075,834	1,079,029	83	5,609
Administrative expenses		(14,658,353)	(13,088,984)	(580,904)	(621,622)
Other operating expenses		(2,698,123)	(1,125,511)	-	-
Reversal of impairment on financial assets		37,557	40,715	-	-
Profit/(Loss) from operations		981,316	4,541,921	(580,821)	(616,013)
Finance costs	26	(283,146)	(299,095)	-	-
Share of result of an associate		(1,750)	-	-	-
Profit/(Loss) before tax	27	696,420	4,242,826	(580,821)	(616,013)
Tax expense	28	(436,797)	(1,562,851)	(20)	-
Profit/(Loss)/Total comprehensive income/(loss) for the financial year		259,623	2,679,975	(580,841)	(616,013)
Profit/(Loss)/Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		314,513	2,686,215	(580,841)	(616,013)
Non-controlling interests		(54,890)	(6,240)	-	-
		259,623	2,679,975	(580,841)	(616,013)
Earnings per ordinary share					
Basic and diluted (sen)	29	0.07	0.56		

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	Attributable to owners of the Company					
	Non-distributable			Distributable		
	Share capital RM	Merger reserve RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM	Total RM
Group						
At 1 January 2024	28,167,136	(10,594,100)	27,317,252	44,890,288	(3,089)	44,887,199
Profit/Total comprehensive income for the financial year	-	-	2,686,215	2,686,215	(6,240)	2,679,975
At 31 December 2024/1 January 2025	28,167,136	(10,594,100)	30,003,467	47,576,503	(9,329)	47,567,174
Acquisition of equity interest by non-controlling interest	-	-	-	-	245,000	245,000
Derecognition of non-controlling interest upon strike-off of a subsidiary	-	-	-	-	9,329	9,329
Profit/Total comprehensive income for the financial year	-	-	314,513	314,513	(54,890)	259,623
At 31 December 2025	28,167,136	(10,594,100)	30,317,980	47,891,016	190,110	48,081,126

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2025 (Cont'd)

	Share Capital RM	Accumulated losses RM	Total RM
Company			
At 1 January 2024	28,167,136	(3,259,639)	24,907,497
Loss/Total comprehensive loss for the financial year	-	(616,013)	(616,013)
At 31 December 2024/1 January 2025	28,167,136	(3,875,652)	24,291,484
Loss/Total comprehensive loss for the financial year	-	(580,841)	(580,841)
At 31 December 2025	28,167,136	(4,456,493)	23,710,643

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2025

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	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Profit/(Loss) before tax		696,420	4,242,826	(580,821)	(616,013)
<u>Adjustments for:</u>					
Bad debts written off	27	-	31,582	-	-
Depreciation of property, plant and equipment	5	1,701,968	1,019,470	-	-
Gain on disposal of property, plant and equipment	25	(165,845)	-	-	-
Gain on derecognition of lease	25	-	(10,070)	-	-
Reversal of impairment on trade receivables, net	10	(37,557)	(40,715)	-	-
Interest expenses	26	283,146	299,095	-	-
Interest income	25	(850,973)	(1,029,349)	(83)	(5,591)
Property, plant and equipment written off	27	32,169	-	-	-
Inventory written down	27	5,202	-	-	-
Loss on subsidiary strike-off	27	9,329	-	-	-
Share of result in an associate	27	1,750	-	-	-
Unrealised loss on foreign exchange, net	27	2,102,759	579,843	-	-
Operating profit/(loss) before changes in working capital		3,778,368	5,092,682	(580,904)	(621,604)
<u>Changes in working capital:</u>					
Inventories		2,512	(83,720)	-	-
Trade and other receivables		(1,715,228)	(5,386,552)	(2,258)	52,071
Trade and other payables		1,343,707	763,537	(41,511)	(65,215)
Contract costs		(554,144)	(2,279,389)	-	-
Contract assets/(liabilities), net		1,550,342	1,357,571	-	-
Amount owing to an associate		(838)	-	-	-
Cash flows generated from/(used in) operations		4,404,719	(535,871)	(624,673)	(634,748)
Interest paid		-	(9,113)	-	-
Interest received		843,248	1,021,761	83	5,591
Income tax (paid)/refunded, net		(1,760,398)	(1,347,561)	3,740	(6,551)
Net cash generated from/ (used in) operating activities		3,487,569	(870,784)	(620,850)	(635,708)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2025 (Cont'd)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from investing activities					
Repayment from/(Advances to) subsidiary		-	-	932,500	(303,000)
Subscription of shares in a subsidiary		-	-	(255,000)	-
Proceeds from disposal of property, plant and equipment		284,004	-	-	-
Acquisition of property, plant and equipment	5(a)	(1,164,065)	(2,325,914)	-	-
Acquisition of investment in other financial asset		(497,512)	-	-	-
Subscription of shares in an associate		(1,750)	-	(1,750)	-
Net cash (used in)/generated from investing activities					
		(1,379,323)	(2,325,914)	675,750	(303,000)
Cash flows from financing activities					
Proceeds from issuance of shares to non-controlling interests		245,000	-	-	-
Interest received		7,725	7,588	-	-
Interest paid		(283,146)	(289,982)	-	-
Withdrawal of fixed deposits pledged with licensed banks		(7,725)	(7,588)	-	-
Repayment of:					
- lease liabilities	(b)	(384,090)	(333,912)	-	-
- term loans	(b)	(962,047)	(1,242,255)	-	-
Net cash used in financing activities					
		(1,384,283)	(1,866,149)	-	-
Net increase/(decrease) in cash and cash equivalents					
		723,963	(5,062,847)	54,900	(938,708)
Effect of exchange rate changes		(1,960,377)	(757,742)	-	-
Cash and cash equivalents at the beginning of the financial year					
		22,417,391	28,237,980	16,037	954,745
Cash and cash equivalents at end of the financial year					
	(a)	21,180,977	22,417,391	70,937	16,037

STATEMENTS OF CASH FLOW

For the Financial Year Ended 31 December 2025 (Cont'd)

Notes:

(a) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances		4,767,325	5,158,302	70,937	16,037
Fixed deposits with licensed banks	15	16,900,420	17,738,132	-	-
		21,667,745	22,896,434	70,937	16,037
Less: Fixed deposits pledged with licensed banks		(486,768)	(479,043)	-	-
		21,180,977	22,417,391	70,937	16,037

The currency exposure profile of cash and cash equivalents is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
United States Dollar	19,284,145	20,064,838	-	-
Ringgit Malaysia	2,383,600	2,831,596	70,937	16,037
	21,667,745	22,896,434	70,937	16,037

(b) Movement in financial liabilities arising from financing activities:

	At 1 January RM	New lease RM	Derecognition of lease RM	Net financing cash flows RM	At 31 December RM
Group					
2025					
Borrowings	6,588,925	-	-	(962,047)	5,626,878
Lease liabilities	405,730	1,645,102	-	(384,090)	1,666,742
	6,994,655	1,645,102	-	(1,346,137)	7,293,620
2024					
Borrowings	7,831,180	-	-	(1,242,255)	6,588,925
Lease liabilities	815,874	-	(76,232)	(333,912)	405,730
	8,647,054	-	(76,232)	(1,576,167)	6,994,655

The notes to the financial statements form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries and an associate are disclosed in Note 6 and Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 April 2026.

2. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 to the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Group and of the Company.

The preparation of financial statements in conformity with MFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities. Actual results could differ from reported amounts. The areas involving significant judgement and estimation uncertainty to the financial statements are disclosed in Note 4 to the financial statements.

2.1 Amendments to MFRS that are effective and have been adopted in the current financial year

The following are amendments to MFRS that are effective and have been adopted by the Group and the Company:

- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted

The following are MFRS and amendments to MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Contracts Referencing Nature-dependent Electricity
- Amendments to MFRSs – Annual improvements to MFRS Accounting Standards – Volume 11

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

2. Basis of preparation (cont'd)

2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted (cont'd)

(ii) Effective for annual periods beginning on or after 1 January 2027

- MFRS 18, 'Presentation and Disclosure in Financial Statements'
- MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' - Translation to a Hyperinflationary Presentation Currency

(iii) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and Company plan to apply the abovementioned MFRS and amendments to MFRS, where applicable to the Group and the Company, from the beginning of the financial year where they become effective.

The Group and the Company are currently assessing the impact of initial application of the above applicable MFRS and amendment to MFRS since the effect would only be observable in future financial years.

3. Material accounting policy information

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

(b) Acquisition of subsidiaries with non-controlling interest

The Group elects to measure the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.1 Basis of consolidation (cont'd)

(c) Associate

Investment in an associate is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.2 Separate financial statements

In the Company's statements of financial position, investment in subsidiaries and an associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currencies

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company are recorded on initial recognition in the functional currencies at exchange rates approximating these ruling at the transaction dates. Monetary asset and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

3.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.4 Property, plant and equipment (cont'd)

Depreciation of an asset begins when it is ready for its intended use. Freehold land is not depreciated but are subject to impairment test if there is any indication of impairment. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Freehold building	2%
Computer and software	20% - 25%
Electrical fittings	20%
Furniture and fittings	20%
Motor vehicles	20%
Office equipment	20%
Renovation	10% - 20%
Signboard	15% - 20%
Warehouse equipment and software	10% - 20%
Solar system	4%

Rented land – right-of-use assets	4 years
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The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The policy for recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

Lease assets presented under plant and equipment are right-of-use assets within the scope of MFRS 16 "Lease". The policy for recognition and measurement of right-of-use assets are disclosed in Note 3.15 to the financial statements.

3.5 Impairment of non-financial asset

The Group assesses at each reporting date whether there is an indication that an asset (except for inventories, contract costs, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value, biological assets and non-current assets or disposal groups classified as held for sale) may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use CGU. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.5 Impairment of non-financial asset (cont'd)

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost incurred in bringing the inventories to their present location and is determined using the first-in, first out basis.

Inventories are assessed for impairment at the end of each reporting period by comparing the carrying amount of each item of inventory with its selling price less costs to complete and sell. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

3.7 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank and fixed deposits placed with licensed banks.

3.8 Financial assets

(i) Initial recognition and subsequent measurement

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 are as below:

a. Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objectives are to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

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3. Material accounting policy information (cont'd)

3.8 Financial assets (cont'd)

(i) Initial recognition and subsequent measurement (cont'd)

a. Financial assets measured at amortised cost (cont'd)

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

The Group's and the Company's financial asset at amortised cost include trade receivables, other receivables and deposits, amount owing by subsidiaries, amount owing by an associate, fixed deposits with licensed banks and cash and bank balances.

b. Financial assets measured at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these financial assets are measured at fair value. Any gains or losses arising from the change in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which does not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. The Group's and the Company's financial assets at FVTPL include investment in other financial asset and does not have any financial assets measured at FVTOCI.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company does not have any financial assets that are equity instruments measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

(ii) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.8 Financial assets (cont'd)

(iii) Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive.

The Group and the Company measure the impairment loss on financial assets other than trade receivables based on the two-step approach:

a. 12-months expected credit loss ("ECL")

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

b. Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

For trade receivables and contract assets, the Group and the Company measure impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

3.9 Financial liabilities

All financial liabilities are measured initially at fair value plus directly attributable costs.

a. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. These liabilities are initially measured at fair value and subsequently stated at fair value. Net gains or losses including interest expenses, are recognised in profit or loss.

The Group and the Company does not have any financial liabilities at FVTPL in the current financial year and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.9 Financial liabilities (cont'd)

b. Financial liabilities at amortised cost

Financial liabilities at amortised cost are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group's and the Company's financial liabilities at amortised cost include trade payables, other payables, accruals and deposit received, borrowings and lease liabilities.

3.10 Contract costs

Contract costs are freight expenses deferred and amortised over the course of the freights on a percentage completion basis that is consistent with revenue recognition. This percentage of completion is derived from time elapsed between days travelled from the loading port to the destination port. Contract costs are recognised as an asset if they represent incremental costs of obtaining a contract or fulfilment costs that (i) relate directly to a contract or to an anticipated contract; (ii) generate or enhance resources to be used in meeting obligations under the contract; and (iii) are expected to be recovered.

3.11 Provision for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.12 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.13 Contract assets and contract liabilities

Contract assets represents deferred revenue on freight and haulage services already provided and billings not yet issued over the revenue recognition based on stage of completion. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8 to the financial statements.

Contract liabilities are the obligations to transfer services to customer for which the Group and the Company received the consideration from or has billed the customer. In the case of freight and haulage services revenue, contract liabilities represent the excess of freight and haulage services charges that had been billed to customer to date over revenue recognised based on stage of completion. The stage of completion is determined by the number of days of travel completed as at year end in relation to the total travel days from the loading port or loading point to the destination port or delivery location.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.14 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the report are authorised for issue, is not recognised as liability at the reporting date.

3.15 Leases

a. As lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets or lease term whichever is earlier.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If rate cannot be readily determined, the Group's incremental borrowing rate is used. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

3.16 Revenue

Revenue is measured at the fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains the control of the good or service. A performance obligation maybe satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Air and ocean freight

Revenue from air and ocean freight includes air and ocean freight charges of inbound and outbound shipment arrangements, delivery and warehousing charges which are recognised based upon the terms in the contract of carriage and to the extent a service is completed. Revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided as the customer receives and consumes the benefits of the Group's performance simultaneously. The Group measures the fulfilment of its performance obligations on the progress of each shipment in terms of days travelled.

Other incidental revenues included were terminal handling charges and handling bill of lading and other related charges which are considered to represent one single performance obligation satisfied at a point in time when the services are fully rendered.

3. Material accounting policy information (cont'd)

3.16 Revenue (cont'd)

(i) Revenue from contracts with customers (cont'd)

(b) Freight forwarding

These revenues arise mainly from customs clearance, import and export documentation, handling charges, etc. These integrated services are considered to represent one single performance obligation satisfied at a point in time when the services are fully rendered.

(c) Sales of medical and healthcare products

Revenue from sale of medical and healthcare products is recognised at a point in time when the Group satisfies a performance obligation by transferring promised goods to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery and acceptance of goods by customers.

(d) Warehousing and distribution services

Revenue from warehousing services is recognised overtime, the Group measure based upon the terms in the contract of warehousing and to the extent the service is completed. The Group measures the fulfilment of its performance obligations based on the storage space and duration occupied by customers.

Revenue for distribution services, the Group measures the fulfilment of its performance obligations based on the type and amount of distribution services provided and delivery trips undertaken. Revenue is recognised upon delivery and acceptance of goods by receivers designated by the customers.

(e) Haulage services

Revenue from haulage services is the charges of transportation services, primarily involving the movement of goods and materials for local and long distance which are recognised based upon the terms in the contract of carriage and to the extent a service is completed. Revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided as the customer receives and consumes the benefits of the Group's performance simultaneously. The Group measures the fulfilment of its performance obligations on the progress of each transport in terms of days travelled.

(ii) Other income

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income

Revenue from rental of property, plant and equipment is recognised over the lease term on accrual basis.

3.17 Employee benefits

The Group and the Company recognise a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when and the Group and the Company consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.17 Employee benefits (cont'd)

a. Short-term employee benefits

Wages, salaries and social security contributions are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Profit sharing and bonus payments are recognised when, and only when, the Group and the Company have a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

b. Defined contribution plans

Defined contributions plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

3.18 Taxes

The tax expense in the statements of profit or loss and other comprehensive income represents the aggregate amount of current tax and deferred tax.

a. Current tax

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date, and adjustment of tax payable in respect of the previous financial year.

Current taxes is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

b. Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is charged or credited in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

3. Material accounting policy information (cont'd)

3.19 Fair value measurements

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : Inputs other than quoted prices included within 1 level that are observable for the assets or liabilities, either directly or indirectly.

Level 3 : Unobservable inputs for the assets or liabilities.

The Group recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Significant accounting estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's financial statements within the next financial year are disclosed as follows:

(a) Measurement of income taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice of whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group will adjust for the differences as over- or under- provision of income tax in the period in which those differences arise.

(b) Useful lives of property, plant and equipment

MFRS 116, 'Property, Plant and Equipment' requires the review of the residual value and remaining useful life of an item of property, plant and equipment at each financial year end. The Group reviewed the residual values and remaining useful lives of its property, plant and equipment and found that no revisions to the residual values and remaining useful lives of these assets were necessary.

(c) Impairment of financial assets

Impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. This is determined based on the ageing profile, expected collection patterns of individual receivable balances, credit quality and credit losses incurred. Management carefully monitors the credit quality of receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statement reporting date. Any changes to the ageing profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

4. Significant accounting estimates and judgement (cont'd)

(d) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets' useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule; therefore, future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

- (i) periods covered by an option to extend the leases; and
- (ii) periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or not to exercise an option to terminate the lease will be exercised, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such option when exercising its judgement in the assessment.

The lease terms and incremental borrowing rates have been determined using appropriate assumptions as necessary including management's estimation of the application internal costs.

(e) Classification of non-current bank borrowings

Term loan agreements entered into by the Group includes repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

5. Property, plant and equipment

	As at 01.01.2025 RM	Addition RM	Disposal RM	Written off RM	As at 31.12.2025 RM
Group					
Cost					
Freehold land	16,178,387	-	-	-	16,178,387
Freehold building	4,905,704	-	-	-	4,905,704
Rented land	-	443,102	-	-	443,102
Computer and software	278,987	60,191	(2,008)	(31,148)	306,022
Electrical fittings	364,648	63,868	-	-	428,516
Furniture and fittings	555,252	6,150	-	(89,179)	472,223
Motor vehicles	1,761,519	1,519,823	(759,692)	(5,800)	2,515,850
Office equipment	722,491	17,480	-	(130,672)	609,299
Renovation	4,164,602	156,900	-	(563,021)	3,758,481
Signboard	14,064	-	-	(7,800)	6,264
Warehouse equipment					
and software	567,414	62,930	-	-	630,344
Solar system	-	478,723	-	-	478,723
	29,513,068	2,809,167	(761,700)	(827,620)	30,732,915

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

5. Property, plant and equipment (cont'd)

	As at 01.01.2025 RM	Charge for the year RM	Disposal RM	Written off RM	As at 31.12.2025 RM
Accumulated depreciation					
Freehold land	-	-	-	-	-
Freehold building	46,534	111,682	-	-	158,216
Rented land	-	64,619	-	-	64,619
Computer and software	219,846	32,152	(1,841)	(21,070)	229,087
Electrical fittings	24,423	80,756	-	-	105,179
Furniture and fittings	212,756	78,788	-	(85,842)	205,702
Motor vehicles	1,111,082	396,311	(641,700)	(4,060)	861,633
Office equipment	245,948	116,187	-	(129,169)	232,966
Renovation	771,702	732,267	-	(549,753)	954,216
Signboard	5,007	2,325	-	(5,557)	1,775
Warehouse equipment and software	39,700	85,285	-	-	124,985
Solar system	-	1,596	-	-	1,596
	2,676,998	1,701,968	(643,541)	(795,451)	2,939,974

	As at 31.12.2025 RM
Net carrying amount	
Freehold land	16,178,387
Freehold building	4,747,488
Rented land	378,483
Computer and software	76,935
Electrical fittings	323,337
Furniture and fittings	266,521
Motor vehicles	1,654,217
Office equipment	376,333
Renovation	2,804,265
Signboard	4,489
Warehouse equipment and software	505,359
Solar system	477,127
	27,792,941

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

5. Property, plant and equipment (cont'd)

	As at 01.01.2024 RM	Addition RM	Derecognition upon termination RM	Reclassification RM	As at 31.12.2024 RM
Group					
Cost					
Freehold land	16,178,387	-	-	-	16,178,387
Freehold building	4,905,704	-	-	-	4,905,704
Rented properties	942,328	-	(942,328)	-	-
Capital work in progress	2,949,995	-	-	(2,949,995)	-
Computer and software	252,962	26,025	-	-	278,987
Electrical fittings	-	125,256	-	239,392	364,648
Furniture and fittings	197,546	357,706	-	-	555,252
Motor vehicles	1,761,519	-	-	-	1,761,519
Office equipment	247,066	139,125	-	336,300	722,491
Renovation	563,021	1,227,278	-	2,374,303	4,164,602
Signboard	7,800	6,264	-	-	14,064
Warehouse equipment and software	-	567,414	-	-	567,414
	28,006,328	2,449,068	(942,328)	-	29,513,068

	As at 01.01.2024 RM	Charge for the year RM	Derecognition upon termination RM	As at 31.12.2024 RM
Accumulated depreciation				
Freehold land	-	-	-	-
Freehold building	9,306	37,228	-	46,534
Rented properties	751,121	125,045	(876,166)	-
Capital work in progress	-	-	-	-
Computer and software	189,192	30,654	-	219,846
Electrical fittings	-	24,423	-	24,423
Furniture and fittings	162,875	49,881	-	212,756
Motor vehicles	774,387	336,695	-	1,111,082
Office equipment	181,636	64,312	-	245,948
Renovation	461,862	309,840	-	771,702
Signboard	3,315	1,692	-	5,007
Warehouse equipment and software	-	39,700	-	39,700
	2,533,694	1,019,470	(876,166)	2,676,998

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

5. Property, plant and equipment (cont'd)

	As at 31.12.2024 RM
Net carrying amount	
Freehold land	16,178,387
Freehold building	4,859,170
Rented properties	-
Capital work in progress	-
Computer and software	59,141
Electrical fittings	340,225
Furniture and fittings	342,496
Motor vehicles	650,437
Office equipment	476,543
Renovation	3,392,900
Signboard	9,057
Warehouse equipment and software	527,714
	26,836,070

(a) Cash acquisition

During the financial year, the Group made the following cash payments to acquire property, plant, and equipment:

	Group	
	2025 RM	2024 RM
Addition in property, plant and equipment	2,809,167	2,449,068
Amount settle via lease agreements	(1,645,102)	-
Less : Deposits paid	-	(123,154)
Cash payments	1,164,065	2,325,914

(b) Assets pledged as security

At the end of the reporting period, freehold land and building with a net carrying amount of RM20,925,875 (2024: RM21,037,557) have been charged to a licensed bank for credit facilities granted to the Group as disclosed in Note 19 to the financial statements.

(c) Fully depreciated assets that are still in use

The gross carrying amounts of fully depreciated property, plant and equipment that are still in use are as follows:

	Group	
	2025 RM	2024 RM
Computer and software	172,182	139,887
Furniture and fittings	90,689	165,168
Motor vehicles	83,846	83,846
Office equipment	60,222	151,294
Renovation	-	487,541
	406,939	1,027,736

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

5. Property, plant and equipment (cont'd)

(d) Right-of-use assets

The Group leases land for vehicle parking purpose. The leases for vehicle parking purpose generally have lease term of 2 years with options to renew for another 2 years before the end of the contract period. The Group had included the extension options at the lease commencement date as it is reasonably certain to exercise the extension options.

The Group also leases motor vehicles with lease term of five (5) years.

Additional information on the right-of-use assets are as follows:

	Rented properties RM	Rented land RM	Motor vehicles RM	Total RM
Group Cost				
At 1 January 2024	942,328	-	1,755,739	2,698,067
Derecognition upon termination	(942,328)	-	-	(942,328)
Reclassification	-	-	(83,865)	(83,865)
At 31 December 2024/1 January 2025	-	-	1,671,874	1,671,874
Additions	-	443,102	1,519,823	1,962,925
Derecognition upon termination	-	-	(759,692)	(759,692)
At 31 December 2025	-	443,102	2,432,005	2,875,107
Accumulated depreciation				
At 1 January 2024	751,121	-	773,420	1,524,541
Charge for the year	125,045	-	334,395	459,440
Derecognition upon termination	(876,166)	-	-	(876,166)
Reclassification	-	-	(83,865)	(83,865)
At 31 December 2024/1 January 2025	-	-	1,023,950	1,023,950
Charge for the year	-	64,619	395,538	460,157
Derecognition upon termination	-	-	(641,700)	(641,700)
At 31 December 2025	-	64,619	777,788	842,407
Net carrying amounts				
At 31 December 2025	-	378,483	1,654,217	2,032,700
At 31 December 2024	-	-	647,924	647,924

*The above right-of-use assets have been included in property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

6. Investment in subsidiaries

	Group	
	2025 RM	2024 RM
At cost:		
Unquoted shares	12,094,100	12,094,100
At 1 January	255,000	-
Additions		
	12,349,100	12,094,100
At 31 December		

Details of subsidiaries of the Company incorporated in Malaysia are as follows:

Name of subsidiaries Held by the Company:	Effective equity interest		Principal activities
	2025 %	2024 %	
KGW Logistics (M) Sdn. Bhd. ("KGWL") ^	100	100	Logistics service provider.
Mattroy Logistics (Malaysia) Sdn. Bhd. ("MLSB") ^	100	100	Logistics service provider.
KGW Medica Sdn. Bhd. ("KGWM") ^	100	100	Warehousing and distribution of healthcare-related products and devices.
KGW Global Solutions Sdn. Bhd. ("KGWGS") ^	51	-	Haulage services and other transportation support activities.
Held by KGWL:			
Annexon Logistics Sdn. Bhd. ("ALSB") ^*	-	51	Dormant.

^ The above subsidiaries are audited by ECOVIS Malaysia PLT.

* On 31 December 2024, the Company has applied for strike-off pursuant to Section 550 of the Companies Act 2016. The Group has concluded that the financial impacts of the derecognition are immaterial.

As of 21 April 2025, the Company was successfully struck off.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

7. Investment in an associate

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares, at cost	1,750	-	1,750	-
Share of loss of associate (Note 27)	(1,750)	-	-	-
	-	-	1,750	-

Details of associate of the Company incorporated in Malaysia is as follows:

Name of associate Held by the Company:	Effective equity interest		Principal activities
	2025 %	2024 %	
Mingkun International Logistics Sdn. Bhd. ("MIL") ^	35	-	Logistics service provider.

^ The above associate is audited by ECOVIS Malaysia PLT.

The following table illustrates the summarised financial information of the Group's associates, not adjusted for the proportion of equity interest held by the Company, is as follows:

	MIL RM
31.12.2025	
Assets and liabilities:	
Non-current assets	3,627
Current assets	144,723
Current liabilities	(214,672)
Net assets	(66,322)
28.05.2025 (date of incorporation) to 31.12.2025	
Financial result:	
Revenue	258,731
Loss for the financial period	(71,322)
Taxation	-
Net loss for the financial period	(71,322)
Group's share of result:	
Group's share of loss for the financial period:	(1,750)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

8. Deferred tax assets

	Group	
	2025 RM	2024 RM
At 1 January	119,410	175,887
Charged to profit or loss (Note 28)	713,546	(56,477)
At 31 December	832,956	119,410
Deferred tax assets:		
Property, plant and equipment	165,115	-
Contract costs and contract liabilities	177,270	84,230
Impairment losses on trade receivables	1,103	6,583
Unrealised foreign exchange	504,612	139,162
Total deferred tax assets	848,100	229,975
Deferred tax liabilities:		
Property, plant and equipment	(15,144)	(110,565)
Total deferred tax liabilities	(15,144)	(110,565)
Net deferred tax assets	832,956	119,410

9. Inventories

	Group	
	2025 RM	2024 RM
At cost:		
Trading goods	81,208	88,922
Recognised in profit or loss:		
Inventories recognised as cost of sales	2,512	-
Inventories written down	5,202	-

10. Trade receivables

	Group	
	2025 RM	2024 RM
Trade receivables	11,904,933	11,580,733
Less: Accumulated impairment loss	(15,879)	(72,667)
	11,889,054	11,508,066

Trade receivables of the Group are non-interest bearing and the normal credit terms range from cash on delivery to 60 days (2024: cash on delivery to 60 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

10. Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables are as follows:

	Expected loss rate %	Gross amount RM	Loss allowance RM	Carrying amount RM
Group 2025				
Not past due	0.00%	7,841,590	(282)	7,841,308
Past due but not impaired				
- 1 to 30 days	0.04%	3,123,192	(1,264)	3,121,928
- 31 to 60 days	0.08%	348,794	(296)	348,498
- 61 to 90 days	0.01%	345,521	(21)	345,500
- 91 to 120 days	0.22%	61,069	(136)	60,933
- more than 120 days	1.50%	173,484	(2,597)	170,887
		4,052,060	(4,314)	4,047,746
Individually credit impaired		11,283	(11,283)	-
		11,904,933	(15,879)	11,889,054
Group 2024				
Not past due	0.01%	5,073,322	(282)	5,073,040
Past due but not impaired				
- 1 to 30 days	0.03%	4,141,756	(1,264)	4,140,492
- 31 to 60 days	0.01%	2,089,018	(296)	2,088,722
- 61 to 90 days	0.01%	143,791	(21)	143,770
- 91 to 120 days	0.34%	39,539	(136)	39,403
- more than 120 days	21.49%	28,835	(6,196)	22,639
		6,442,939	(7,913)	6,435,026
Individually credit impaired		64,472	(64,472)	-
		11,580,733	(72,667)	11,508,066

Trade receivables that are neither past due nor credit impaired

Trade receivables that are neither past due nor credit impaired are creditworthy receivables with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor credit impaired have been renegotiated during the financial year.

Trade receivables that are past due but not credit impaired

The Group has trade receivables amounting to RM4,052,060 (2024: RM6,442,939) that are past due but not credit impaired at the reporting date.

Trade receivables that were past due but not credit impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the Directors of the Group are of the opinion that no provision for specific allowance is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

10. Trade receivables (cont'd)

Trade receivables that are past due and credit impaired

The Group has trade receivables amounting to RM11,283 (2024: RM64,472) that have been credit impaired.

Receivables that are individually determined to be impaired at the end of the financial year relate to receivables that are in significant financial difficulties and have defaulted on payments or the Directors of the Group are of the opinion that it is not recoverable.

The Group also applies the simplified approach whereby allowance for impairment is measured at lifetime ECL. The movement of the impairment loss on trade receivables of the Group is as follows:

	Lifetime ECL allowance RM	Specific allowance RM	Total RM
Group			
At 1 January 2024	5,157	123,074	128,231
Charge for the year (Note 27)	3,038	-	3,038
Reversal for the year (Note 27)	-	(43,753)	(43,753)
Written off for the year	-	(14,849)	(14,849)
At 31 December 2024/1 January 2025	8,195	64,472	72,667
Charge for the year (Note 27)	2,255	-	2,255
Reversal for the year (Note 27)	(5,854)	(33,958)	(39,812)
Written off for the year	-	(19,231)	(19,231)
At 31 December 2025	4,596	11,283	15,879

The currency exposure profile of the trade receivable is summarised as follow:

	Group	
	2025 RM	2024 RM
Ringgit Malaysia	9,080,775	3,659,551
United States Dollar	2,808,279	7,848,515
	11,889,054	11,508,066

11. Other receivables, deposits and prepayments

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables		297,998	131,362	-	-
Deposits	(a)	1,032,129	109,429	-	1,000
Prepayments		305,128	200,353	14,058	10,800
		1,635,255	441,144	14,058	11,800

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

11. Other receivables, deposits and prepayments (cont'd)

- (a) Included in deposits is an amount of RM903,600 representing the deposit of acquisition of plants and machineries with a total purchase consideration of RM1,651,500.

The acquisition of plants and machineries are divided into two batches. The completion of acquisition is subject to terms and conditions (T&C) as stipulated in the sales and purchase agreement.

As at the report date, the first batch of plants and machineries have been completed and the second batch of plants and machineries have yet to be complete as the T&C as stipulated in the sales and purchase agreement are yet to be fulfilled.

- (b) The currency exposure profile of the other receivables, deposits and prepayments is summarised as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	1,528,573	369,407	14,058	11,800
United States Dollar	106,682	71,737	-	-
	1,635,255	441,144	14,058	11,800

12. Contract costs

	Group	
	2025 RM	2024 RM
Contract costs	3,767,100	3,212,956

Contract costs are freight expenses deferred and amortised over the course of the freight services on a percentage completion basis that is consistent with revenue recognition. This percentage of completion is derived from time elapsed between days travelled from the loading port to the destination port. The Group expects to charge out the above contract costs within one year. There was no impairment loss in relation to contract costs capitalised.

13. Amount owing by subsidiaries and an associate

The amount owing by subsidiaries and an associate are unsecured, interest-free and repayable on demand in cash and cash equivalents.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amount owing by subsidiaries - non-trade	-	-	11,370,500	12,303,000
Amount owing by an associate				
- Trade	61	-	-	-
- Non-trade	777	-	-	-
	838	-	-	-
	838	-	11,370,500	12,303,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

14. Investment in other financial asset

	Group	
	2025 RM	2024 RM
Financial asset at FVTPL:		
Wholesale fund in Malaysia		
At 1 January	-	-
Additions	497,512	-
At 31 December	497,512	-

The Group invested RM500,000 in the EAC Fund ("the Fund"), a wholesale equity fund focusing on emerging economies to capture the region's economic and capital market growth.

The Fund invests predominantly in listed equities across Asian markets.

The Group classifies this investment as a financial asset measured at fair value through profit of loss ("FVTPL"). The fair value of the fund is determined based on the net asset value of the underlying fund published by the Fund manager at the reporting date. The fair value of the funds is classified under Level 2 of the fair value hierarchy, as it is not traded in an active market but its valuation is based on observable input (i.e. the Fund's NAV).

15. Fixed deposits with licensed banks

Included in the fixed deposits with licensed banks are amount as at the end of each reporting period have average maturity period of 30 days to 365 days (2024: 30 days to 365 days) and the effective interest rate for the Group is range from 2.10% to 3.90% (2024: 2.50% to 4.65%) per annum.

Fixed deposits with licensed banks comprise of RM486,768 (2024: RM479,043) are pledged for bank facilities granted to the Group as disclosed in Note 19 to the financial statements.

16. Share capital

	Group/Company			
	No. of shares		Amount (RM)	
	2025	2024	2025	2024
Issued and fully paid up:				
At 1 January/31 December	482,798,567	482,798,567	28,167,136	28,167,136

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

17. Merger reserve

The merger reserve represents the excess of the consideration paid over share capital of the KGWL, MLSB and KGWM as at the acquisition date under the pooling of interest method of accounting.

18. Non-controlling interests

The summarised financial information of non-controlling interest for KGWGS and ALSB has not been presented as the non-controlling interest of KGWGS and ALSB is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

19. Borrowings

	Group	
	2025 RM	2024 RM
Current:		
Term loans	386,933	1,254,188
Non-current:		
Term loans	5,239,945	5,334,737
Total borrowings:		
Term loans	5,626,878	6,588,925
Maturity of borrowings:		
Within one year	386,933	1,254,188
Between one year and five years	1,190,986	5,238,368
Later than 5 years	4,048,959	96,369
	5,626,878	6,588,925

The above bank borrowings obtained from licensed banks are secured by the following:

- (i) Open All Monies Facilities Agreement to be entered into between the Group and the Bank;
- (ii) Guarantee in favor of the Bank by Credit Guarantee Corporation Malaysia Berhad under the Portfolio Guarantee Scheme-I;
- (iii) Upfront fixed deposit of RM300,000 until the overdraft facilities is fully secured together with all interest accruing from time to time in respect of fixed deposit as disclosed in Note 15 to the financial statements;
- (iv) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under SJPP-TRRF-I for RM800,000;
- (v) First party legal charge over the Group's freehold land and building as disclosed in Note 5 to the financial statements; and
- (vi) Corporate guarantee by the Company in respect of facilities granted to subsidiaries.

The term loans bear interest at 2.70% (2024: 2.70%) below the Base Financing Rate per annum and 3.50% (2024: 3.50%) fixed rate per annum on monthly rest and on daily rest respectively.

20. Lease liabilities

	Group	
	2025 RM	2024 RM
Future minimum lease payments:		
- Within one year	501,840	220,512
- Between one year and five years	1,307,106	208,058
Total future minimum lease payments	1,808,946	428,570
Less: Future finance charges	(142,204)	(22,840)
Present value of lease liabilities	1,666,742	405,730
Current		
- Within one year	440,714	205,512
Non-current		
- Between one year and five years	1,226,028	200,218

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

20. Lease liabilities (cont'd)

Lease arrangement for rented land and motor vehicles of the Group are disclosed in Note 5 to the financial statements.

The interest rate applied to lease liabilities by the Group range from 2.03% to 5.45% (2024: 2.03% to 5.45%) per annum.

The following are the amounts recognised in profit or loss:

	Group	
	2025 RM	2024 RM
Gain on derecognition of leases	-	(10,070)
Depreciation expenses of right-of-use assets	460,157	459,440
Interest expenses on lease liabilities	45,097	31,285
Expenses relating to short-term lease	26,856	122,275
Total amount recognised in profit or losses	532,110	602,930
Total cash outflows for leases (including low-value underlying assets and short-term leases)	456,043	487,472

21. Trade payables

The trade credit term granted to the Group range from cash on delivery to 90 days (2024: cash on delivery to 90 days).

The currency exposure profile of the trade payables are as follows:

	Group	
	2025 RM	2024 RM
Malaysia Ringgit	3,286,812	2,676,067
Euro	(3,756)	4,806
United States Dollar	1,948,086	1,093,211
	5,231,142	3,774,084

22. Other payables, accruals and deposit received

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	279,880	420,446	48,954	90,865
Subsidiary's Directors	392,000	-	-	-
Accruals	4,131,981	4,456,070	51,600	51,200
Retention payable	-	85,000	-	-
Deposit received	17,400	8,400	-	-
	4,821,261	4,969,916	100,554	142,065

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

22. Other payables, accruals and deposit received (cont'd)

The retention payable of the Group is repayable upon the expiry of the defect liability period of 12 months from the respective date of completion for refurbishing of new acquired warehouse.

The amount owing to subsidiary's Directors are non-trade in nature, unsecured, interest-free and payable on demand in cash and cash equivalent.

23. Contract liabilities

	Group	
	2025 RM	2024 RM
Contract assets	37,490	646,022
Contract liabilities	(4,505,727)	(3,563,917)
	(4,468,237)	(2,917,895)

Included in contract asset of the Group is an amount of RM37,490 owing by related party in which certain Director of the subsidiary have controlling interest. This amount is unsecured, interest-free and arose from normal trade transaction.

(a) Movement in contract liabilities as follows:

	Group	
	2025 RM	2024 RM
At 1 January	(2,917,895)	(1,560,324)
Net revenue recognised	88,788,180	119,994,921
Net billing issued	(90,338,522)	(121,352,492)
At 31 December	(4,468,237)	(2,917,895)

(b) Transaction price allocated to remaining performance obligation

The Group applies on the practical expedient in MFRS 15 'Revenue from Contract with Customers' on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a shipping contract that has original expected duration of less than one year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

24. Revenue

	Group	
	2025 RM	2024 RM
Logistics services:		
- Ocean freight	96,267,077	129,033,664
- Air freight	2,364,692	2,103,983
- Haulage services	37,490	-
- Freight forwarding	4,845,683	2,512,637
	103,514,942	133,650,284
Warehousing, distribution and trading of medical and healthcare products	1,548,220	579,287
	105,063,162	134,229,571
Timing of revenue recognition:		
- At a point in time	15,696,799	14,015,389
- Over time	89,366,363	120,214,182
	105,063,162	134,229,571

25. Other income

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	165,845	-	-	-
Interest income	850,973	1,029,349	83	5,591
Other income	8,616	12,170	-	18
Rental income	50,400	27,440	-	-
Gain on derecognition of lease	-	10,070	-	-
	1,075,834	1,079,029	83	5,609

26. Finance costs

	Group	
	2025 RM	2024 RM
Bank overdraft interest	-	9,113
Lease liabilities interest	45,097	31,285
Term loans interest	238,049	258,697
	283,146	299,095

All of the finance costs above represent interest expenses of financial liabilities that are not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

27. Profit/(Loss) before tax

Profit/(Loss) is arising at after charging/(crediting):

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
- Statutory audit services	130,000	125,240	27,000	25,000
- Other services	8,000	8,000	8,000	8,000
Incorporation fees	2,181	-	-	-
Bad debts written off	-	31,582	-	-
Depreciation of property, plant and equipment ¹	1,701,968	1,019,470	-	-
Rental expenses ²	26,856	122,275	4,561	-
Realised loss on foreign exchange, net	558,334	514,085	-	-
Unrealised loss on foreign exchange, net	2,102,759	579,843	-	-
(Reversal)/Loss of impairment on financial assets, net:				
- Lifetime ECL allowances	(3,599)	3,038	-	-
- Specific allowances	(33,958)	(43,753)	-	-
Property, plant and equipment written off	32,169	-	-	-
Inventory written down	5,202	-	-	-
Loss on subsidiary strike off	9,329	-	-	-
Share of result in an associate	1,750	-	-	-
Employee benefits expenses:				
<u>Recognised in administrative expenses:</u>				
- Salaries, allowances and bonus	4,461,937	4,227,763	-	-
- Commission	3,061,728	2,532,842	-	-
- Defined contribution plan	845,747	709,769	-	-
- Social security contributions	59,660	53,433	-	-
- Employment insurance system contributions	6,434	890	-	-
- Other staff related expenses	126,978	399,937	-	-
<u>Recognised in cost of sales:</u>			-	-
- Salaries, allowances and bonus	381,513	129,250	-	-
- Commission	10,789	-	-	-
- Defined contribution plan	47,335	15,169	-	-
- Social security contributions	6,426	1,884	-	-
- Employment insurance system contributions	727	220	-	-

¹ Included RM17,567 (2024: RM17,566) being depreciation expense recognised in cost of sales.

² The amount represents low value underlying assets leases and short-term leases under MFRS 16. Included in the Group is RM26,856 (2024: RM122,275) and the Company is RM4,561 (2024: Nil) being low value underlying assets leases and short-term leases recognised in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

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28. Tax expense

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax expense:				
- Current year	1,119,013	1,442,653	20	-
- Underprovision in prior years	31,330	63,721	-	-
	1,150,343	1,506,374	20	-
Deferred tax (Note 8):				
Origination and reversal of temporary differences	(605,485)	(54,710)	-	-
Overprovision in prior year	(108,061)	111,187	-	-
	(713,546)	56,477	-	-
	436,797	1,562,851	20	-

The reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	696,420	4,242,826	(580,821)	(616,013)
Malaysian statutory tax rate of 24%	167,141	1,018,278	(139,397)	(147,843)
Tax effects of:				
Non-taxable income	(24,999)	(2,556)	-	-
Non-deductible expenses	392,894	388,841	139,417	147,843
Deferred tax assets not recognised	3,560	-	-	-
Utilisation of previously unrecognised deferred tax assets	(25,068)	(16,620)	-	-
Under/(Over)provision in prior years:				
- income tax expense	31,330	63,721	-	-
- deferred tax	(108,061)	111,187	-	-
Income tax expense	436,797	1,562,851	20	-

The amount of temporary difference for which no deferred tax assets has been recognised in the statement of financial position are as follow:

	Group	
	2025 RM	2024 RM
Temporary differences on property, plant and equipment	36,673	(19,176)
Unabsorbed capital allowances	5,403	-
Unutilised tax losses	9,489	104,449
	51,565	85,273

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

28. Tax expense (cont'd)

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against when the Group can utilise the benefits thereon.

Unabsorbed capital allowances do not expire under the current tax legislation.

The availability of unutilised tax losses for offsetting against future taxable profits of the Group is subject to the requirements under the Income Tax Act, 1967 and guidelines issued by the Inland Revenue Board.

Under the current tax legislation in Malaysia, unutilised tax losses from year of assessment ("YA") 2019 onwards can only be carried forward for a maximum period of 10 consecutive YAs. Unutilised tax losses for YA 2019 can be set off against income from any business source from 10 YAs and will be disregarded in YA 2030. Unutilised tax losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA 2029.

Unutilised tax losses of the Group can be carried forward until the following YAs:

	Group	
	2025 RM	2024 RM
YA 2032	-	31,146
YA 2033	-	73,303
YA 2035	9,489	-
	9,489	104,449

29. Earnings per share ("EPS")

Basic and diluted EPS are calculated by dividing the profit for the financial year attributable to owners of the Group by the weighted average number of ordinary shares in issue for the financial years.

	Group	
	2025	2024
Profit for the financial year attributable to owners of the Group (RM)	314,513	2,686,215
Weighted average number of ordinary shares at 31 December (unit)	482,798,567	482,798,567
Basic and diluted EPS (sen)	0.07	0.56

There were no dilutive potential equity instruments in issue as at each financial year end that have dilutive effect to the EPS.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

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30. Related party disclosures

30.1 Identities of related parties

Parties are considered to be related to the Group or to the Company if the Group or the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties could be individual or other entities.

Related parties of the Group and of the Company include:

- (i) Direct subsidiaries as disclosed in Note 6 to the financial statements; and
- (ii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or of the Company either directly or indirectly. The key management personnel include members of the senior management of the Group.

30.2 Related party transactions

In addition to the information detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Transactions with subsidiaries:				
- Advance to	-	-	-	453,000
- Payment made on behalf to	-	-	460,836	-
Transactions with an associate:				
- Sales to	196	-	-	-
- Disposal of plant and equipment	1,004	-	-	-
- Payment made on behalf to	10,717	-	-	-
Transactions with related parties:				
- Sales to	37,490	-	-	-
- Deposit paid for purchase of plant and machineries	903,600	-	-	-
Related party's compensation:				
- Salaries, allowances and bonus	84,000	92,400	-	-
- Defined contribution plan	10,080	9,950	-	-
- Social security contributions	1,250	1,057	-	-
- Employment insurance system contributions	143	121	-	-
Transactions with Directors				
- Rental expenses	-	65,000	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

30. Related party disclosures (cont'd)

30.3 Compensation of Directors and key management personnel

The remuneration of Directors and key management personnel of the Company during the financial year and the comparative prior year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors compensation:				
- Directors' fee	180,000	180,000	180,000	180,000
- Directors' salaries, allowances and bonus	1,230,400	1,304,000	9,000	9,000
- Defined contribution plan	141,040	155,400	-	-
- Social security contributions	2,500	2,184	-	-
- Employment insurance system contributions	286	250	-	-
	1,554,226	1,641,834	189,000	189,000
Key management personnel compensation:				
- Salaries, allowance and bonus	870,000	796,192	-	-
- Defined contribution plan	92,760	95,544	-	-
- Social security contributions	4,999	4,369	-	-
- Other staff related expenses	571	499	-	-
	968,330	896,604	-	-

31. Segment information

The Group has three reportable operating segments – logistics services provider, healthcare products and other as described below. They have been segregated as three strategic business units for internal reporting to the Director for performance evaluation and resource allocation.

Operating segments	Nature
Logistics services provider	Provision of ocean and air freight services, freight forwarding services, haulage services and other supporting services.
Warehousing and distribution	Warehousing and distribution services for healthcare-related products and devices.
Investment holding	Holding of investments in the shares of subsidiaries and other investments.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

31. Segment information (cont'd)

Operating segments

	Logistics services provider RM	Warehousing and distribution RM	Investment holding RM	Total RM
2025				
Revenue				
External revenues	103,514,942	1,548,220	-	105,063,162
Results				
Segment results	1,918,438	493,027	(580,904)	1,830,561
Depreciation of property, plant and equipment	(1,670,110)	(31,858)	-	(1,701,968)
Interest income	850,890	-	83	850,973
Finance costs	(280,693)	(2,453)	-	(283,146)
Profit/(Loss) before tax	818,525	458,716	(580,821)	696,420
Tax expense	(336,887)	(99,890)	(20)	(436,797)
Profit/(Loss) for the financial year	481,638	358,826	(580,841)	259,623
Assets				
Additions to non-current assets ¹	2,303,135	62,930	-	2,366,065
Segment assets	66,624,808	621,850	84,995	67,331,653
Deferred tax assets/(liabilities)	841,757	(8,801)	-	832,956
Tax recoverable/(payable)	1,750,051	(24,126)	4,852	1,730,777
Total assets	69,216,616	588,923	89,847	69,895,386
Liabilities				
Segment liabilities	21,637,627	76,079	100,554	21,814,260
Total liabilities	21,637,627	76,079	100,554	21,814,260
Other non-cash items				
Reversal of impairment on financial assets, net:				
- Lifetime ECL allowances	(3,599)	-	-	(3,599)
- Specific allowances	-	(33,958)	-	(33,958)
Property, plant and equipment written off	22,095	10,074	-	32,169
Gain on disposal of property, plant and equipment	(165,845)	-	-	(165,845)
Unrealised loss on foreign exchange, net	2,102,759	-	-	2,102,759
Share of result in an associate	-	-	1,750	1,750

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

31. Segment information (cont'd)

Operating segments (cont'd)

	Logistics services provider RM	Warehousing and distribution RM	Investment holding RM	Total RM
2024				
Revenue				
External revenues	133,650,284	579,287	-	134,229,571
Results				
Segment results	5,157,109	(3,463)	(621,604)	4,532,042
Depreciation of property, plant and equipment	(995,364)	(24,106)	-	(1,019,470)
Interest income	1,023,758	-	5,591	1,029,349
Finance costs	(295,335)	(3,760)	-	(299,095)
Profit/(Loss) before tax	4,890,168	(31,329)	(616,013)	4,242,826
Tax expense	(1,562,851)	-	-	(1,562,851)
Profit/(Loss) for the financial year	3,327,317	(31,329)	(616,013)	2,679,975
Assets				
Additions to non-current assets ¹	2,447,369	1,699	-	2,449,068
Segment assets	64,593,175	362,580	27,837	64,983,592
Deferred tax assets	119,410	-	-	119,410
Tax recoverable	1,112,110	-	8,612	1,120,722
Total assets	65,824,695	362,580	36,449	66,223,724
Liabilities				
Segment liabilities	18,378,819	135,666	142,065	18,656,550
Total liabilities	18,378,819	135,666	142,065	18,656,550
Other non-cash items				
(Reversal)/Loss of impairment on financial assets, net:				
- Lifetime ECL allowances	3,038	-	-	3,038
- Specific allowances	(574)	(43,179)	-	(43,753)
Unrealised loss on foreign exchange, net	579,843	-	-	579,843
Bad debts written off	31,582	-	-	31,582

¹ Additions to non-current assets include additions of property, plant and equipment but exclude addition to right-of-use assets in relation to rental lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

31. Segment information (cont'd)

Geographical segments

Revenue of the Group based on the geographical location of its customers are as follows:

	2025 RM	2024 RM
Revenue from external customers		
Malaysia	58,852,635	66,135,939
Africa	1,629,506	2,364,717
Asia	24,728,728	27,369,165
Europe	969,657	1,492,841
North America	17,587,787	35,712,508
South America	55,028	147,761
Oceania	1,239,821	1,006,640
	105,063,162	134,229,571
Malaysia	58,852,635	66,135,939
Outside Malaysia	46,210,527	68,093,632
	105,063,162	134,229,571

Major customers

Major customers with revenue of at least 10% of the Group's total revenue are as follows:

	2025 RM	2024 RM
Customer A	13,005,807	15,047,657

32. Financial instruments

32.1 Category of financial instruments

The table below provides an analysis of financial instruments of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned and therefore by the measurement basis:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
<u>At FVTPL:</u>				
Investment in other financial asset	497,512	-	-	-
<u>At amortised cost:</u>				
Trade receivables	11,889,054	11,508,066	-	-
Other receivables and deposits ^	1,330,127	240,791	-	1,000
Amount owing by subsidiaries	-	-	11,370,500	12,303,000
Amount owing by an associate	838	-	-	-
Fixed deposits with licensed banks	16,900,420	17,738,132	-	-
Cash and bank balances	4,767,325	5,158,302	70,937	16,037
	34,887,764	34,645,291	11,441,437	12,320,037
	35,385,276	34,645,291	11,441,437	12,320,037

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

32. Financial instruments (cont'd)

32.1 Category of financial instruments (cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial liabilities				
<u>At amortised cost:</u>				
Trade payables	5,231,142	3,774,084	-	-
Other payables, accruals and deposits received ^	4,638,329	4,836,356	100,554	142,065
Borrowings	5,626,878	6,588,925	-	-
Lease liabilities	1,666,742	405,730	-	-
	17,163,091	15,605,095	100,554	142,065

^ Exclude prepayment and SST payables.

32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net gains/(losses) arising from:				
Financial assets measured at amortised cost	(1,734,743)	(591,841)	83	5,591
Financial liabilities measured at amortised cost	(354,924)	268,882	-	-
	(2,089,667)	(322,959)	83	5,591

33. Financial risk management, objectives and policies

The Group's activities are exposed to a variety of financial risk arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk, liquidity risk, foreign currency risk and other price risk.

The Directors review and agree policies and procedure for the management of these risks, which are executed by the Managing Director. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of those risks.

(a) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their long-term borrowings with floating interest rates. The Group's policy to manage their interest rate risks is to maintain sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest risk fluctuation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(a) Interest rate risk (cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting year is as follows:

	2025 RM	2024 RM
Fixed rate instruments		
Financial assets		
Fixed deposits with licensed banks	16,900,420	17,738,132
Financial liabilities		
Borrowings	374,268	533,239
Lease liabilities	1,666,742	405,730
Floating rate instruments		
Financial liabilities		
Borrowings	5,252,610	6,055,686

Sensitivity analysis for interest rate risk

Sensitivity analysis is not disclosed on fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

A 50 basis points strengthening in the interest rate of floating rate instruments as at the end of the reporting periods would have decreased Group's profit after tax by RM19,960 (2024: RM23,012). A 50 basis points weakening would have had an equal but opposite effect on the profit before tax. This assumes that all other variables remain constant.

(b) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from trade receivables, other receivables, amount owing by a subsidiaries, amount owing by an associate, fixed deposits with licensed banks and cash and bank balances.

The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over certain amount.

(i) Trade receivables

Credit risk concentration profile

The Group has no concentration of credit risk except for the amounts owing by one (2024: two) customers which constituted approximately 49% (2024: 24%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

At the end of financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of trade receivables recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(i) Trade receivables (cont'd)

Assessment of impairment losses

The Group considers the probability of default upon initial recognition of asset and applies the simplified approach to measure expected credit losses ("ECL") using lifetime ECL allowance for all trade receivables.

The Group considers a receivable as being in default requiring individual impairment assessment when the debtor fails to make payment for invoices more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

An impairment analysis is performed at each reporting date using provision matrix to measure ECL for all trade receivables.

The ECL assessment incorporate historical default experience, customers' financial information, past trends of payments of each customer individually and forward-looking information such as forecast of economic conditions where the gross domestic product is expected to increase/decrease over the next year, leading to change in the number of defaults.

The Group provides for lifetime ECL for all trade receivables. The ECL also incorporate forward looking information such as forecast of economic conditions where the gross domestic product is expected to deteriorate over the next year, leading to a change in the number of defaults. The information about the exposure to credit risk and trade receivables aging are disclosed in Note 10 to the financial statements.

(ii) Other receivables

Exposure to credit risk, credit quality and collateral

Other receivables balances are monitored on an ongoing basis.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of other receivables as at the end of the reporting period.

Ageing analysis of other receivables and impairment losses

The Group and the Company do not maintain ageing analysis for other receivables. Based on past experience, the Directors determine whether impairment is necessary in respect of other receivables applying the general approach to determine the ECL.

(iii) Other financial assets (including fixed deposits with licensed banks, cash and bank balances)

Other financial assets are held with licensed banks. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of cash and cash at bank in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(b) Credit risk (cont'd)

(iii) Other financial assets (including fixed deposits with licensed banks, cash and bank balances) (cont'd)

Impairment losses

Cash at bank and fixed deposits with licensed banks have low credit risk and they are protected to an extent by Perbadanan Insurans Deposit Malaysia. Consequently, the Group and the Company are of the view that loss allowance is not material and hence it is not provided for.

(iv) Intercompany balances

Intercompany balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss is assessed to be immaterial hence it is not provided for.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility of cash flow through the use of standby credit facilities.

The Group and the Company maintain a level of cash and cash equivalents, bank overdrafts and loan facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

	Effective interest rate	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Group						
2025						
Trade payables		5,231,142	5,231,142	5,231,142	-	-
Other payables, accruals and deposit received		4,638,329	4,638,329	4,638,329	-	-
Borrowings	3.50% - 4.15%	5,626,878	7,581,450	598,393	1,907,516	5,075,541
Lease liabilities	2.03% - 5.45%	1,666,742	1,808,946	501,840	1,307,106	-
		17,163,091	19,259,867	10,969,704	3,214,622	5,075,541
Group						
2024						
Trade payables		3,774,084	3,774,084	3,774,084	-	-
Other payables, accruals and deposit received		4,836,356	4,836,356	4,836,356	-	-
Borrowings	3.50% - 4.15%	6,588,925	7,290,567	1,500,951	5,692,923	96,693
Lease liabilities	2.03% - 5.45%	405,730	428,570	220,512	208,058	-
		15,605,095	16,329,577	10,331,903	5,900,981	96,693
Company						
2025						
Other payables and accruals				100,554	100,554	100,554
2024						
Other payables and accruals				142,065	142,065	142,065

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(d) Foreign exchange risk

The Group is exposed to foreign currency risks as a result of its normal operating activities with foreign companies, denominated mainly in United States Dollar ("USD") and Euro ("EUR").

The Group's exposures to foreign currency are as follows:

	USD RM	EUR RM	Total RM
Group			
2025			
Financial assets			
Trade receivables	2,808,279	-	2,808,279
Other receivables, deposits and prepayments	106,682	-	106,682
Fixed deposits with licensed banks	16,093,107	-	16,093,107
Cash and cash at bank	3,191,038	-	3,191,038
	22,199,106	-	22,199,106
Financial liabilities			
Trade payables	(1,948,086)	3,756	(1,944,330)
	(1,948,086)	3,756	(1,944,330)
Net exposure	20,251,020	3,756	20,254,776
Group			
2024			
Financial assets			
Trade receivables	7,848,515	-	7,848,515
Other receivables, deposits and prepayments	71,737	-	71,737
Fixed deposits with licensed banks	16,948,366	-	16,948,366
Cash and cash at bank	3,116,472	-	3,116,472
	27,985,090	-	27,985,090
Financial liabilities			
Trade payables	(1,093,211)	(4,806)	(1,098,017)
	(1,093,211)	(4,806)	(1,098,017)
Net exposure	26,891,879	(4,806)	26,887,073

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible in the USD and EUR exchange rate against Ringgit Malaysia ("RM"), with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(d) Foreign exchange risk (cont'd)

	2025 Increase/ (decrease) RM	2024 Increase/ (decrease) RM
Group		
Effects on profit after tax		
USD		
- strengthen by 10%	1,539,078	2,043,783
- weaken by 10%	(1,539,078)	(2,043,783)
EURO		
- strengthen by 10%	285	(365)
- weaken by 10%	(285)	365

(e) Other price risk

Other price risk is the risk that the fair value of the financial instruments of the Group would fluctuate because of changes in market price.

The Group's principal exposure to market price risk mainly arising from investment in other financial asset, which are classified as FVTPL.

Other price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market prices of the quoted investments and money market instruments at the end of the reporting period, with all other variables held constant:

	2025 RM	2024 RM
Effects on profit after tax		
- Increase of 10%	37,811	-
- Decrease of 10%	(37,811)	-

(f) Fair value of financial instruments

The carrying amount of financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to relatively short-term maturity of these financial instruments.

The fair value of lease liabilities and non-current other investment is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the financial reporting period.

The carrying amount of the floating rate term loans approximately their fair values as these instruments bear interest at variable rates.

The carrying amount of the fixed rate term loans approximately their fair values as these instruments bear interest at approximated market lending rate at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

33. Financial risk management, objectives and policies (cont'd)

(f) Fair value of financial instruments (cont'd)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Assets for which fair values are disclosed:				
Investment in other financial asset	-	497,512	-	497,512
2024				
Assets for which fair values are disclosed:				
Investment in other financial asset	-	-	-	-

34. Contingent liabilities

	Company	
	2025 RM	2024 RM
Corporate guarantee given to licensed bank (Note 19)	21,635,978	21,635,978

35. Capital management

The primary objective of the Group's capital management is to ensure that it maintains strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group manages capital using debt-to-equity ratio. The debt-to-equity ratio is calculated as net debts divided by total shareholders' equity. Net debt is calculated as bank borrowings plus lease liabilities less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period is as follows:

	Group	
	2025 RM	2024 RM
Group		
Borrowings	5,626,878	6,588,925
Lease liabilities #	1,283,777	405,730
	6,910,655	6,994,655
Less: Cash and cash equivalents	(21,180,977)	(22,417,391)
Net cash	(14,270,322)	(15,422,736)
Total shareholders' equity	48,081,126	47,567,174
Debt-to-equity ratio	N/A*	N/A*

Exclude lease liabilities in relation to rental lease arrangement.

* The gearing ratio is not applicable as the cash and cash equivalents is sufficient to cover the entire debt obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2025 (Cont'd)

36. Capital commitment

	Group	
	2025 RM	2024 RM
Approved and contracted for but not provided:		
Plant and machineries	747,900	-

The details of the aquisition of plant and machinery are disclosed in Note 11(a) to the financial statements.

37. Significant event subsequent to the end of the financial year

On 5 February 2026, the Group has subscribed 1,000 ordinary shares at RM1 per ordinary share in the capital of Barter Mind Trading Sdn. Bhd., representing 100% of equity interest, at a total cash consideration of RM1,000.

INDEPENDENT AUDITORS' REPORT

To the Member of KGW Group Berhad (Incorporated in Malaysia) | Registration No. 202201009353 (1455050-D)

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **KGW Group Berhad** ("the Company"), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 126.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the **Auditors' Responsibilities for the Audit of the Financial Statements** section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the **By-Laws (on Professional Ethics, Conduct and Practice)** of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' **International Code of Ethics for Professional Accountants (including International Independence Standards)** ("IESBA Code") as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of most significant in our audit of financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(a) Group

Key audit matters	Revenue recognition – Logistics services (Refer Note 3.16 and Note 24 to the financial statements) The Group's revenue is mainly derived from total logistics services rendered. Revenue recognised over time (i.e. over the period of service delivery) by the Group during the financial year from total logistics services amounted to RM88,788,180 (2024: RM119,994,921), representing 85% (2024: 89%) of the Group's revenue for the financial year ended 31 December 2025. We have identified revenue in respect of total logistics services recognised over time to be an area of audit focus as we consider the high volume of transactions to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue. Management periodically records manual adjustments to accrue for revenue where shipment is in progress but not yet billed due to difference in the timing of revenue recognition and billing. Through such manual adjustments, management has ability to influence the recognition of revenue, hence there is a risk of material misstatement in the revenue recognised from these services.
How our audit addressed the key audit matter	Our audit procedures included, among others, the following: • Obtained an understanding of the revenue recognition process and evaluated the controls surrounding revenue recognition; • Performed verification on a sampling basis, recorded revenue before and after the end of the reporting period, covering a period in excess of the normal lead time between rendering of services and receipt of proof of delivery of services and verified against the underlying proof of delivery. This included considering shipping or other documentation indicating the timing of shipping to ascertain whether the revenue has been appropriately recognised in the correct period; • Assessed the appropriateness of the manual adjustments recorded in relation to revenue, including computing accrued billing and deferred revenue; and • Assessed the completeness, accuracy and appropriateness of disclosures as required by MFRS 15.

(b) Company

We have determined that there are no key audit matter in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards of auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these financial statements.

As part of an audit in accordance with approved standards of auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ECOVIS MALAYSIA PLT

AF 001825

Chartered Accountants

Kuala Lumpur

20 April 2026

PAT YIN LAI

03073/12/2027 J

Chartered Accountant

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES PAID/PAYABLE TO EXTERNAL AUDITORS

During FYE 2025, the amount of audit and non-audit fees paid/payable to the External Auditors, namely Messrs. Ecovis Malaysia PLT, by the Company and Group were as follows: -

Details of Utilisation	Company RM	Group RM
Audit Fees	27,000	130,000
Non-Audit Fees		
• Review of Statement on Risk Management and Internal Control	8,000	8,000
	35,000	138,000

MATERIAL CONTRACTS

Saved as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving the interest of the Directors, CFO and major shareholders which was either still subsisting at the end of FYE 2025 or entered into since the end of the previous financial year: -

KGW Global Solutions Sdn Bhd (“KGSB”), a 51.0%-owned subsidiary of the Company, had on 10 December 2025 entered into a sales and purchase agreement with Ability Global Sdn Bhd (“AGSB”) for the proposed acquisition of 42 units of used plants and machineries for a total cash consideration of RM1.65 million.

Dato’ Tan Bok Koon, being a director and major shareholder of KGSB, is also the director and major shareholder of AGBS.

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the proposed acquisition is expected to be completed by December 2026.

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE (“RRPT”)

During FYE 2025, there was no RRPT entered that required a shareholders’ mandate.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the AMLR, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group’s business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		105,063,162	134,229,571
Other Income		1,075,834	1,079,029
Total		106,138,996	135,308,600
Total Assets		69,895,386	66,223,724

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Liquor/ alcoholic beverages and related products and activities		313,498	482,645
Tobacco, cigarette, electronic cigarettes and their related products and activities		44,808	19,518
Food and beverages without halal certification from JAKIM or any certification bodies recognized by JAKIM		437,225	1,638,287
Total		795,531	2,140,450

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank		454,680	217,457
Cash in hand (to be placed under Islamic Account/Instruments only)		271	182
Deposits with licensed bank		16,093,107	16,948,366
Short-term deposits		486,768	479,043
Total Cash		17,034,826	17,645,048

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank		4,312,374	4,940,663
Short-term deposits		320,545	310,723
Total Cash		4,632,919	5,251,386

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term loans		304,556	1,174,631
Non-Current			
Term loans		5,139,151	5,151,574
Total Financing		5,443,707	6,326,205

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term loans		82,377	79,557
Hire purchase payables		334,181	205,512
Non-Current			
Term loans		100,794	183,163
Hire purchase payables		949,596	200,218
Total Debt		1,466,948	668,450

LIST OF PROPERTIES

No	Title No.	Property Address	Tenure	Description of property/ Existing use	Category of Land Use/ Land area/ Built-up area (sq. ft.)	Acquisition Date	Approximate Age of Building	Audited NBV as at 31 December 2025 (RM)
1	Geran 215194, Lot 61800, Bandar Glenmarie, Daerah Petaling, Selangor Darul Ehsan	No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	Freehold	Double storey warehouse and 3-storey office building/ Warehouse and office	<u>Category of Land Use:</u> Industrial <u>Land area:</u> 51,419 <u>Built-up area:</u> Double storey warehouse - 36,709 3-storey office building - 16,098	29/12/2022	29 years	20,925,875

ANALYSIS OF SHAREHOLDINGS

As At 21 April 2026

ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares & Class of Shares	:	482,798,567 ordinary shares
Issued and Paid-Up Share Capital	:	RM28,167,136
Number of Shareholders	:	2,007
Voting Rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	5	0.25	99	(*) 0.00
100 – 1,000	317	15.79	126,501	0.03
1,001 – 10,000	768	38.27	4,225,900	0.88
10,001 – 100,000	749	37.32	29,009,400	6.01
100,001 to less than 5% of issued shares	165	8.22	146,414,424	30.32
5% and above of issued shares	3	0.15	303,022,243	62.76
Total	2,007	100.00	482,798,567	100.00

Note: -

(*) Less than 0.01%.

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Roger Wong Ken Hong	258,319,049	53.51	(1) 1,123,500	0.23
AGS SPV I Inc	55,521,835	11.50	-	-
Cheok Hui Yen	31,213,359	6.47	-	-

Note: -

(1) Deemed interest by virtue of his spouse's interest pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tengku Faizwa Binti Tengku Razif	-	-	-	-
Dato' Roger Wong Ken Hong	258,319,049	53.51	(1) 1,123,500	0.23
Chow Enn Jie	11,850,150	2.45	-	-
Lim Joo Seng	500,000	0.10	-	-
Lean Sze Yau	-	-	-	-
Lee Li Choon	500,000	0.10	-	-

Note: -

(1) Deemed interest by virtue of his spouse's interest pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS

As At 21 April 2026 (Cont'd)

LIST OF TOP 30 LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%
1	Dato' Roger Wong Ken Hong	233,184,999	48.30
2	AGS SPV I INC	38,623,885	8.00
3	Cheok Hui Yen	31,213,359	6.47
4	AGS SPV I INC	16,897,950	3.50
5	Dato' Roger Wong Ken Hong	16,897,950	3.50
6	Chow Enn Jie	11,850,150	2.45
7	Seik Thye Kong	9,076,400	1.88
8	Dato' Roger Wong Ken Hong	8,236,100	1.71
9	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chee Chuan (7007197)	6,964,700	1.44
10	Teoh Huey Hong	6,269,474	1.30
11	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeo Bee Kim	6,150,200	1.27
12	Goh Hong Ping	4,355,700	0.90
13	Cartaban Nominees (Tempatan) Sdn Bhd - RHB Trustees Berhad for EAC FUND	4,000,000	0.83
14	Francis Chuo Kuok Chong	3,350,000	0.69
15	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Kok Sang	2,652,900	0.55
16	Tan Chee Chuan	2,353,200	0.49
17	IFast Nominees (Tempatan) Sdn Bhd - Koh Soo Keong	2,002,800	0.41
18	Ong Chee Kean	1,500,000	0.31
19	Wong Wan Jye	1,123,500	0.23
20	Saw Wei Jen	1,100,000	0.23
21	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Jindar Singh A/L Sham Singh	900,000	0.19
22	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chyi Boon	900,000	0.19
23	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tee Sheng Kuang (7004827)	800,000	0.17
24	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for See Rong Zhi	800,000	0.17
25	Quaik Kae Ming	750,000	0.16
26	Yap Sook Hoon	750,000	0.16
27	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Kamarulzaman bin Ajimi (MK0250)	700,000	0.14
28	Kenanga Nominees (Tempatan) Sdn Bhd - Ng Wei Hann	700,000	0.14
29	Teo Chor Eng	650,000	0.13
30	Chong Peb Shian	630,000	0.13
	Total	415,383,267	86.04

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting (“4th AGM” or “Meeting”) of **KGW GROUP BERHAD (“the Company”)** will be held at **Suite I & II, Level 2, Mercure Kuala Lumpur Glenmarie Hotel, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor, Malaysia** on **Tuesday, 26 May 2026 at 10.30 a.m.** or at any adjournment thereof to transact the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Report of the Directors and Auditors thereon. | <i>(Please refer to Note B)</i> |
| 2. | To approve the payment of Non-Executive Directors’ fees and benefits of up to RM266,000.00 for the financial year ending 31 December 2027 payable in arrears after each month of completed service of the Non-Executive Directors during the financial year be and is hereby approved. | <i>(Ordinary Resolution 1)
(Please refer to Note C)</i> |
| 3. | To re-elect the following Directors, who retire pursuant to Clause 135 of the Company’s Constitution and who being eligible, have offered themselves for re-election: | |
| | (i) Ms. Lee Li Choon; and | <i>(Ordinary Resolution 2)</i> |
| | (ii) Mr. Lean Sze Yau. | <i>(Ordinary Resolution 3)
(Please refer to Note D)</i> |
| 4. | To re-elect Mr. Chow Enn Jie as Director of the Company, who retires pursuant to Clause 137 of the Company’s Constitution and who being eligible, has offered himself for re-election. | <i>(Ordinary Resolution 4)
(Please refer to Note E)</i> |
| 5. | To re-appoint Ecovis Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. | <i>(Ordinary Resolution 5)
(Please refer to Note F)</i> |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

6. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”)**

“**THAT** subject always to the CA 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the CA 2016 to allot and issue shares in the Company from time to time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting (“**Proposed General Mandate**”);

THAT approval be and is hereby given for the waiver of the statutory pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the CA 2016 and Clause 65 of the Constitution of the Company arising from any issuance of New Shares pursuant to the Proposed General Mandate;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT the Board of Directors ("**Board**") of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Proposed General Mandate."

7. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

By Order of the Board
KGW GROUP BERHAD

JEREMY TAI YUNG WEI (MAICSA 7065447) (SSM PC No. 202308000580)

THONG PUI YEE (MAICSA 7067416) (SSM PC No. 202008000510)

Company Secretaries

Kuala Lumpur

Date: 27 April 2026

Notes:-

A. Appointment of Proxy(ies)

- (i) A member of the Company entitled to attend and vote shall be entitled to appoint not more than two (2) proxies to attend, participate (including to pose questions to the Board of the Company) and vote in his/her/its stead.
- (ii) Where a member appoints two (2) proxies to attend, participate, and vote at the meeting, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy, failing which, the appointments shall be invalid.
- (iii) For the purpose of determining a member who shall be entitled to attend the 4th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 80(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 18 May 2026. Only a depositor whose name appears on the Record of Depositors as at 18 May 2026 shall be entitled to attend, participate and vote at the meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.
- (iv) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Company's Share Registrar office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia, or email to ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (vi) Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (vii) Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.

- (viii) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- (ix) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), all the resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Note on Ordinary Business

B. Audited Financial Statements for the Financial Year Ended 31 December 2025

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders’ approval and hence, will not be put for voting.

C. Ordinary Resolution 1: Payment of Non-Executive Directors’ Fees and Benefits

Section 230(1) of the Companies Act 2016 provides that the Non-Executive Directors’ fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. The Proposed Ordinary Resolution 1 is to facilitate payment of Non-Executive Directors’ fees and benefits for the financial year ending 31 December 2027.

D. Ordinary Resolutions 2 and 3: Re-election of Directors pursuant to Clause of 135 of the Constitution of the Company

Ms. Lee Li Choon (“**Ms. Grace**”) and Mr. Lean Sze Yau (“**Mr. Henry**”) (“**Retiring Directors**”), who retire by rotation in accordance with Clause 135 of the Company’s Constitution, are eligible and have offered themselves for re-election as Directors at the 4th AGM of the Company.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 4th AGM, the Board through its Nomination Committee had assessed the Retiring Directors, and considered the following:

- (i) The Directors’ performance and contribution;
- (ii) The Directors’ skills, experience and strength in qualities;
- (iii) The level of independence demonstrated by the Independent Non-Executive Director;
- (iv) The Directors’ ability to act in the best interest of the Company in decision-making; and
- (v) The Directors’ fitness and propriety with reference to the Directors’ Fit and Proper Policy.

The profiles of Ms. Grace and Mr. Henry are set out in the Directors’ Profile section of the Annual Report 2025.

The Retiring Directors had abstained themselves from all deliberations and decisions on their own respective proposed re-election as Directors at the Board of Directors’ Meeting.

E. Ordinary Resolution 4: Re-election of Director pursuant to Clause of 137 of the Constitution of the Company

Clause 137 of the Company’s Constitution provides that any Director appointed either to fill a casual vacancy or as an addition to the existing Board shall hold until the next AGM and shall be eligible for re-election.

Mr. Chow Enn Jie (“**Mr. Alex**”) who was appointed as Executive Director on 31 January 2026 will retire at this AGM. He has offered himself for re-election at this AGM. The proposed Ordinary Resolution 4, if passed, will allow Mr. Alex to be re-elected and continue acting as a Director.

The Board (with exception of the retiring Directors who abstained) recommended the retiring Directors to be re-elected as the Directors of the Company.

F. Ordinary Resolution 5: Re-appointment of Auditors

The Audit Committee (“**AC**”) has assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Ecovis Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2026. The Board has reviewed the recommendation of the AC and recommended the same for the shareholders’ approval at the 4th AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Special Business

G. Ordinary Resolution 6: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 6 is proposed pursuant to Sections 75 and 76 of the Companies Act 2016 for the purpose of obtaining a renewed general mandate ("**Proposed General Mandate**"), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of ordinary shares issued pursuant to the Proposed General Mandate does not exceed ten per centum (10%) of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This Proposed General Mandate will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier. This Proposed General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) or issuance of shares for such other application(s) as the Directors may deem fit and in the best interest of the Company.

The Ordinary Resolution 6, if passed, would be tantamount to shareholders of the Company agreeing to waive their pre-emptive rights in respect of the allotment and issuance of the new ordinary shares pursuant to the Proposed General Mandate, which will result in a dilution to the shareholders' shareholdings in the Company.

As at the date of this Notice, there is no decision to issue new shares and the Company has not issued any shares pursuant to the general mandate granted by the shareholders at the 3rd AGM held on 28 May 2025. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

Personal Data Privacy:

By lodging of a completed Form of Proxy with the share registrar office of the Company for appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate and vote at the 4th AGM and any adjournment thereof, a member of the Company is hereby:

- (i) consenting to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) or corporate representative(s) or attorney(s) appointed for the 4th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 4th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warranting that where the member discloses the personal data of the member's proxy(ies) or corporate representative(s) or attorney(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or corporate representative(s) or attorney(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or corporate representative(s) or attorney(s) for the Purposes ("**Warranty**"); and
- (iii) agreeing that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

STATEMENT ACCOMPANYING NOTICE OF FOURTH ANNUAL GENERAL MEETING ("4TH AGM")

(PURSUANT TO RULE 8.29(2) OF ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

- 1) No individual is seeking election as Directors at the 4th AGM.
- 2) The profiles of the Directors who are standing for re-election as in Agenda 3 and 4 of the Notice of the 4th AGM of the Company are set out in the Board of Directors' Profile section of this Annual Report 2025.
- 3) The details of the Directors' interests in the securities of the Company as at 21 April 2026 are set out in the Analysis of Shareholdings section of this Annual Report 2025.



LOGISTICS

KGW GROUP BERHAD

Registration No. 202201009353 (1455050-D)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.				-				-											
No. of Shares Held																			

I/We, _____
(Full Name in Block Letters)

(NRIC/Passport/Company Registration No. _____) of _____
(Full Address)

_____ (Full Address)

Contact No. _____ Email Address _____ being a member
of **KGW GROUP BERHAD** hereby appoint:

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholding to be Represented (Refer to Note iv)
Address		
Contact No.:	Email Address:	

and/or failing *him/her,

Name of Proxy (Full Name)	NRIC No./Passport No.	% of Shareholding to be Represented (Refer to Note iv)
Address		
Contact No.:	Email Address:	

or failing *him/her, the **Chairman of the Meeting** as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Fourth Annual General Meeting ("**4th AGM**" or "**Meeting**") of the Company to be held at Suite I & II, Level 2, Mercure Kuala Lumpur Glenmarie Hotel, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on **Tuesday, 26 May 2026 at 10.30 a.m.** and at any adjournment thereof.

ORDINARY RESOLUTION		FOR	AGAINST
1	Payment of Non-Executive Directors' fees and benefits for the financial year ending 31 December 2027		
2	Re-election of Ms. Lee Li Choon as Director of the Company		
3	Re-election of Mr. Lean Sze Yau as Director of the Company		
4	Re-election of Mr. Chow Enn Jie as Director of the Company		
5	Re-appointment of Auditors		
6	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this _____ day of _____ 2026

Signature(s) of member(s)

Notes:

- (i) A member of the Company entitled to attend and vote shall be entitled to appoint not more than two (2) proxies to attend, participate (including to pose questions to the Board of the Company) and vote in his/her/its stead.
- (ii) Where a member appoints two (2) proxies to attend, participate, and vote at the meeting, he/she/it shall specify the proportion of his/her/its shareholding to be represented by each proxy, failing which, the appointments shall be invalid.
- (iii) For the purpose of determining a member who shall be entitled to attend the 4th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 80(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 18 May 2026. Only a depositor whose name appears on the Record of Depositors as at 18 May 2026 shall be entitled to attend, participate and vote at the meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.
- (iv) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Company's Share Registrar office of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia, or email to ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (vi) Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (vii) Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- (viii) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- (ix) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all the resolutions set out in this Notice will be put to vote by way of poll.

Personal Data Privacy:

By lodging of a completed Form of Proxy to the share registrar office of the Company for appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate and vote at the 4th AGM or any adjournment thereof, the member accepts and agrees to the personal data privacy terms as set out in the Notice of 4th AGM dated 27 April 2026.

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AFFIX
STAMP

The Share Registrar

SHAREWORKS SDN. BHD.

Registration No.: 199101019611 (229948-U)

No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas, 50480 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur, Malaysia.

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Ocean Freight



Air Freight



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Distribution



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Customizable
Solutions

KGW GROUP BERHAD

(Registration No. 202201009353 (1455050-D))
(Incorporated in Malaysia under the Companies Act 2016)

No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park,
40150 Shah Alam, Selangor, Malaysia

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Email: corporate@kgwlogistics.com

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