

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of BWYS Group Berhad (“**BWYS**” or the “**Company**”) recognises the importance of good corporate governance and is committed to maintain high standards of corporate governance throughout the Group in its effort to ensure long-term sustainable growth and to safeguard, protect and enhance shareholders’ value.

The Board is pleased to present this Corporate Governance Overview Statement (“**Statement**”) to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 31 December 2024 (“**FYE 2024**”). This Statement is prepared pursuant to Rule 15.25 of the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) ACE Market Listing Requirements and summarises the application by the Company of the Principles and Recommendations of the Malaysian Code on Corporate Governance (“**MCCG**”).

The Board has also provided detailed explanation on the application of each Practice in its Corporate Governance Report (“**CG Report**”) which is available in the Company’s website at <https://www.bwysgroup.com>.

Out of the total forty-three (43) recommended practices in the MCCG, the Company had adopted forty (40) recommended practices, one (1) departure while two (2) recommended practices were not applicable in view of (i) BWYS is not a large company (Practice 12.2) and, (ii) BWYS will hold a general meeting in the financial year under review (Practice 13.5).

The departure in recommended practice in FYE 2024 was as follows:

- (i) 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.

The recommended practices not applicable in FYE 2024 were as follows:

- (i) Practice 12.2 – Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.
- (ii) Practice 13.5 – The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Amongst the 5 Step-Up practices, the Company had adopted Practice 9.4 and 10.3 in FYE 2024 as follows:

- (i) Practice 9.4 – The Audit Committee should comprise solely of independent directors.
- (ii) Practice 10.3 – The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company’s risk management framework and policies.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

The Board, which is led by members with a diverse range of skills and experience plays a strategic role in overseeing the Group's corporate objective, strategies, directions and long-term business goals and is responsible for the overall management of the Group.

As at 31 December 2024, at least half of the board members are independent non-executive directors. The current composition of the Board consists of one (1) Independent Non-Executive Chairman, two (2) Executive Directors and three (3) Independent Non-Executive Directors.

The Board has reviewed its size and composition and is satisfied that its current size and composition are effective for the proper functioning of the Group. The profiles of each Director are set out in the Board of Directors' Profile on this Annual Report.

The roles of the Chairman and Managing Director ("MD") are held by separate individuals, each with distinct roles and responsibilities stated in the Board Charter. The Chairman is responsible for leading the Board in instilling good corporate governance and collective oversight of management while the MD focuses on the business and day-to-day management of the Group. In order to ensure the independence of these Board Committees and prevent any undue influence, the Chairman is not a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.

The Board is committed to address sustainability risk in its business operations and has set up a Sustainability Management Committee and a Sustainability Working Group to drive the implementation of the Board's approved sustainability strategies and practices which will help to create long term value for our stakeholders, our environment and our society. These sustainability strategies, initiatives and practices are available in our Company's website at <https://www.bwysgroup.com>.

The Board has also put in place a Sustainability Policy for the Board and Key Senior Management reference and adherence.

The Board has in place a Diversity Policy for the Directors. The Company maintains at least thirty per cent (30%) women directors to maintain a balance Board composition in line with Practice 5.9 of the MCCG. In seeking potential candidate(s) for new appointment, the Board takes into account ethnicity and age distribution of the Directors to maintain a balance composition. Presently there are three (3) women directors in the Board out of six (6), comprising half of the members of the Board.

The Board is supported by two (2) suitably qualified and competent company secretaries i.e. Rebecca Kong Say Tsui (MAICSA 7039304) (SSM PC No. 202008001003) and Yeng Shi Mei (MAICSA 7059759) (SSM PC No. 202008001282).

Board Responsibilities

The Board shall lead and manage the Company in an effective and responsible manner and all the Directors who owe fiduciary duties to the Company must exercise reasonable care, skill, and diligence to discharge their duties in an effective and efficient manner.

The Boards, collectively and individually, are aware of their role and responsibilities to shareholders and stakeholders as per the following:

- (a) to promote good corporate governance culture within the Group which enforces ethical, prudent and professional behaviour;
- (b) to avoid conflicts of interest wherever possible. Where a conflict arises, they must adhere scrupulously to the procedures provided by the law, the Constitution and any policies or procedures approved by the Board for dealing with conflicts, whereby they must disclose their nature of interest during the Board meeting and shall not participate in any discussion and shall abstain from the decision-making process;
- (c) to oversee the sustainability management of the Company;
- (d) to oversee the anti-bribery management of the Company;
- (e) to establish and review the strategic direction and plans of the Company;
- (f) to monitor the implementation of strategic plans by Management;
- (g) to review and approve all quarterly and annually financial statements for announcement to the Bursa Securities and stakeholders. The ARMC reviews and recommends the financial statements prior to presentation to the Board; and
- (h) to oversee and evaluate the conduct of the businesses of the Company.

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

Board Responsibilities (Cont'd)

- (i) to evaluate performance of the Management in accordance with pre-determined set of performance measurement.
- (j) to identify and evaluate business risks and ensure implementation of a managed sound risk management framework;
- (k) to review the adequacy and integrity of the internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (l) to review and oversee the appointment, resignation or termination of directors, company secretaries, auditors and key senior management are properly carried out and documented;
- (m) to ensure establishment of succession plans for the Board members and key senior management;
- (n) to ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCGG;
- (o) to ensure the Board is supported by at least a suitably qualified and competent company secretary(ies) to whom shall have advice on compliance with applicable laws and any amendment to the laws and regulations related to the listing;
- (p) to formalise ethical standards of conduct through a Code of Conduct for Directors and Management and ensure compliance;
- (q) to develop and implement an investors' relations programme, a shareholders or stakeholders communication policy and ensure the Company's strategies to promote sustainability are communicated to the Company's shareholders and stakeholders; and
- (r) In relation to the financial reporting, to present a balanced and meaningful assessment of the Company's financial performance primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the ARMC to oversee the Company's financial reporting process and the quality of the financial reporting.

The Board has adopted a Board Charter which is available on the Company's website at <https://www.bwysgroup.com>.

The Board Charter will be reviewed as and when necessary to enable the Company to maintain consistency with the Board's roles and responsibilities, evolving business needs, current laws and practices.

During the financial year, four (4) Board meetings were held, and the Board members' attendance details are set out below:

Director	Number of meetings attended during the financial year ended 31 December 2024
Dato' Saidi Bin Ismail Independent Non-Executive Chairman	4/4
Kang Beng Hai Non-Independent Executive Director/ Managing Director	4/4
Kang Yi Ki Non-Independent Executive Director	4/4
See Swee Sie Independent Non-Executive Director	4/4
Teresa Tan Siew Kuan Independent Non-Executive Director	3/4
Lim Chee Hoong Independent Non-Executive Director	4/4

The Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry, sustainability matters, corporate strategies and current challenges.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Responsibilities (Cont'd)

The details of training programmes attended by the Directors during the year under review, are provided below:

Director	Training/Courses Attended	Organiser / Trainer	Date
Dato' Saidi Bin Ismail	• Mandatory Accreditation Programme Part I	ICDM	24 - 25 March 2024
	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	9 - 10 October 2024
Kang Beng Hai	• Mandatory Accreditation Programme Part I	ICDM	24 - 25 March 2024
	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	9 - 10 October 2024
Kang Yi Ki	• Mandatory Accreditation Programme Part I	ICDM	24 - 25 March 2024
	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	9 - 10 October 2024
See Swee Sie	• Mandatory Accreditation Programme Part I	ICDM	24 - 25 March 2024
	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	9 - 10 October 2024
Teresa Tan Siew Kuan	• Budget 2024 highlights, e-invoice and transfer pricing	CPA Australia	31 January 2024
	• Nominee Directors under Companies Act 2016	Learnabee International Sdn Bhd	06 September 2024
	• Unclaimed Moneys Act 1965 by Jabatan Akauntan Negara Malaysia	Malaysian Institute of Accountants	19 September 2024
	• Approaches to Company Valuation - Live Webinar	CPA Australia	03 October 2024
	• Tax Seminar on Budget 2025	REMS Tax Services Sdn Bhd	15 November 2024
Lim Chee Hoong	• Employer's Responsibilities and Compliance Matters	CTIM	22 February 2024
	• IFRS S1 And S2: Are We Ready?	MICPA	5 March 2024
	• Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	24 - 25 June 2024
	• Navigating Malaysia Enhanced Sustainability Reporting Framework	Bursa Malaysia	17 July 2024
	• Webinar on Materiality in Financial Reporting	MICPA	6 August 2024
	• Preparing a Defense-Ready Transfer Pricing (TP) Documentation which Complies with TP Rules 2023	CTIM	8 August 2024
	• e-Invoice Briefing Session	CTIM	21 August 2024
	• Key Insights to the e-Invoice Journey	CTIM & LHDN	5 September 2024
	• Bursa PLC IR4U Series 13: Capacity Building Series: Navigating Sustainability Disclosures & Beyond	Bursa Malaysia	18 September 2024
	• 2025 Budget Seminar	CTIM	30 October 2024
	• Webinar Series: Accounting & Auditing Of Construction Contracts & Property Development Activities Under MPERS, Including Key Shortcomings From Practice Review	MAFA	19 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Committees

The Board has established three (3) Board Committees ("**Board Committees**") to assist in the performance of its stewardship duties under specific terms of reference ("**TOR**").

The established Committees are the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC**") and Remuneration Committee ("**RC**"). The members of all these three (3) committees comprise wholly of Independent Non-Executive Directors. The TORs for these three (3) Board Committees are available on the Company's website at <https://www.bwysgroup.com>.

All decisions and deliberations at Boards Committee level are documented by the Company Secretary in the minutes of meetings. The Chairpersons of these three (3) Board Committees will report on the outcome of the Committee meetings to the Board for further deliberation and approval.

The tenure of an independent director does not exceed a term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director whose term have exceeded nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Nomination Committee

The Board has put in place a Fit and Proper Policy ("**Policy**") to guide the NC and the Board in their review and assessment of candidates who are to be appointed on the Board as well as the Directors who are seeking for re-election. This Policy states down the criteria for such appointment to be met for the assessment of directors i.e. they should possess the skills, character, integrity, experience, competence, time and commitment to carry out their roles and responsibilities.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors and is chaired by Ms See Swee Sie. The NC's roles and responsibilities are governed by its TOR which can be obtained from the Company's website at <https://www.bwysgroup.com>.

The NC is responsible for making recommendations for any new appointment to the Board and its various Board Committees. In the selection of such candidates, the NC considers, inter alia, the qualities, experience, skills, education, competence, integrity and other factors which the candidates should bring to the Board. The ultimate decision as to who should be nominated lies with the Board after considering the recommendations of the NC.

As the Company only listed on 22 July 2024, there was no committee meeting held during the FYE 2024. On 24 February 2025, the NC had carried out a formal assessment to assess the effectiveness of the Board as a whole and the contribution of each individual Director based on their performance for the FYE 2024. Based on the results of the formal assessment, the Nomination Committee is satisfied that the Board and Board Committees have discharged their duties with care and diligence. The formal assessments and evaluations performed were properly documented.

There were no new Board members nominated / elected during the FYE 2024.

Remuneration Committee

The RC has been established by the Board to assist the Board in establishing a formal and transparent procedure for developing policy on compensation and remuneration and for fixing the remuneration packages of individual Directors and senior management to ensure that the rewards commensurate with their contributions and reflective of their current roles and responsibilities in the Board.

The RC comprises three (3) members, all of whom are independent non-executive directors and is chaired by Ms Teresa Tan Siew Kuan.

The RC has carried out an annual review of the remuneration packages for the directors and senior management and made recommendations to the Board for approval on 24 February 2025. The annual review shall ensure that the remuneration packages are sufficiently attractive to retain them.

The details of the remuneration of Directors for the financial year ended 31 December 2024 are as follows:

No	Name	Group ('000)						
		Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Saidi Bin Ismail	32	6	-	-	-	-	38
2	Kang Beng Hai	-	-	1,840	248	21	304	2,413
3	Kang Yi Ki	-	18	192	26	-	32	268
4	See Swee Sie	21	5	-	-	-	-	26
5	Teresa Tan Siew Kuan	21	5	-	-	-	-	26
6	Lim Chee Hoong	21	6	-	-	-	-	27

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment, the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's Senior Management personnel who are not Directors.

The terms of reference of the RC and the remuneration policy are disclosed on the Company's website at <https://www.bwysgroup.com>.

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

Code of Conduct and Ethics

The Board has established a Code of Conduct and Ethics which provides the ethical framework to guide actions and behaviours of all Directors and employees of the company while at work. The Code sets out the ethical standards of conduct that all employees are expected to comply with in their dealings with fellow colleagues, customers, shareholders, suppliers and other external parties. BWYS does not tolerate any approach towards fraud, bribery and corruption and any form of dishonesty in its business dealings.

The Code of Conduct and Ethics is posted on the Company's website at <https://www.bwysgroup.com>.

Whistleblowing Policy and Procedures

The Company has formalised a Whistleblowing Policy in place with the objective of providing an avenue for raising genuine concerns about alleged, suspected or known breaches of conduct within BWYS. The whistle blowers will be protected from possible reprisals or victimisation, that is they raise concerns in good faith.

The whistleblower is encouraged to make written disclosure of information by using the Whistleblower Form as provided in the Whistleblowing Policy and send it by email to the chairperson of the ARMC via whistleblowing@bwysgroup.com.

The Whistleblowing Policy is posted on the Company's website at <https://www.bwysgroup.com>.

Anti-Bribery and Anti-Corruption Policy

The Board has set out a clear Anti-Bribery and Corruption Policy ("ABC Policy") which is part of the Code of Conduct and Business Ethics Policy to ensure that all employees understand their responsibilities in compliance with BWYS Group's zero tolerance stance on bribery and corruption. This ABC Policy applies to all directors, managers and employees of BWYS.

The ABC Policy, under the Code of Conduct and Business Ethics Policy is available for reference at the Company's website at <https://www.bwysgroup.com>.

Access to Information

The Directors are provided with full, complete and unrestricted access to timely and accurate information in order to discharge their duties effectively. The Board and Committee members are provided with the agenda, report and board papers in advance so that the Directors have sufficient time to prepare, seek clarification and deliberate on the pertinent issues prior to the meeting.

The Board have direct access to the advice and services of the Company Secretary with full unrestricted access to information, documents, records and personnel in the performance of their duties. The Company Secretary is responsible for ensuring that Board meeting procedures are adhered to, providing advice on matters relating to company's constitution and that relevant laws, rules and regulations are complied with.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Audit and Risk Management Committee (“ARMC”)

The Board is assisted by the ARMC in supporting oversight functions of the Board on the Group’s financial reporting, risk management framework and internal control systems and ensuring high corporate governance practices.

The members of ARMC comprise fully Independent Non-Executive Directors, and the Chairman of the ARMC is not the Chairman of the Board. All the members are financially literate and are able to read, interpret and understand the financial statements. This diversity in skills and knowledge enables the ARMC to discharge their roles and responsibilities effectively.

The Company, through the ARMC has maintained a transparent and professional relationship with the external auditors which ensures the objectivity and independence of the external auditor’s role. The ARMC also carry out an assessment on the suitability, objectivity and independence of the external auditors based on the established policies and procedures.

It is indicated on the ARMC’s TOR that a former audit partner shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee. The former audit partner herein refers to all former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) During the FYE 2024 and presently, none of the ARMC members are a former key audit partner of the Group.

The TOR of ARMC will be reviewed as and when necessary. The details of the Committee’s duties and responsibilities of the ARMC are stated in its TOR which is published on the Company’s website at <https://www.bwysgroup.com>.

An overview of the ARMC’s activities is spelt out in this Annual Report under Audit and Risk Management Committee Report.

ii. Risk Management and Internal Control

The Board acknowledges its responsibility in establishing a sound system of internal control and risk management practices within the Group to ensure that shareholders’ investment is safeguarded.

The board via the ARMC reviews the adequacy of the enterprise risk management framework which will ensure a structured risk management process which identifies, assess, mitigates and reporting of the Group’s risks and controls. However, it should be noted that such system of internal control is designed to manage but does not eliminate risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

The Statement on Risk Management and Internal Control is set out in the company’s Annual Report, detailing the state and fundamentals of the risk management and internal control systems in the Group.

iii. Internal Audit Function

The Group’s internal audit function is outsourced to an independent internal audit firm to assist the Board and the ARMC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group’s internal control system.

The internal audit function has prepared a proposed internal audit’s scope of work for the FYE 2024 which has been considered and approved by the ARMC. Any subsequent changes to the internal audit plan shall be reviewed and approved by the ARMC.

For the internal audit work in 2024, the internal auditor, JWC Consulting Sdn Bhd briefed the ARMC on the following significant audit findings identified in relation to the review carried out on the internal control systems on warehouse management of BW Yee Seng Steel Industries Sdn Bhd and the relevant recommendations and Management comment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

Communication with Stakeholders

The Board recognises the importance of accurate and timely dissemination of information to shareholders about the Group's financial performance and other matters affecting the shareholders' interest. This is achieved through the Annual Report and timely disclosures to Bursa Securities including the quarterly financial results, circulars/statements and other general meetings. We also have an investors relations policy to guide us on the disclosures required in the quarterly and annual reports, circulars to shareholders, information published on the company's website and through other forms of social media and electronic communications, speeches, press conferences and conference calls.

In addition, the Annual General Meetings ("AGMs") and Extraordinary General Meetings ("EGMs") also serve as principal avenues for direct interaction between the Board of Directors and shareholders or investors.

The Company's website at <https://www.bwysgroup.com> also provides comprehensive and easy access to the latest information on the corporate and business aspect of the Group. The corporate profile, individual profiles of Directors, financial results and corporate news, amongst others can be found in our Company's website. Other relevant information such as press announcements, board charter and relevant policies are also available in the Company's website to improve accessibility of information to our shareholders.

Conduct of General Meetings

The Annual General Meeting ("AGM") is the principal forum for a two-way dialogue with the public shareholders, and the management of the Group. As recommended by the MCCG, the notice of AGM will be despatched to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have sufficient time to go through the Annual Report, consider the resolutions that will be tabled and make the necessary attendance and voting arrangements. The Notice of AGM, which sets out the business to be transacted at the AGM, will also be published in a major local newspaper.

For the forthcoming AGM, the shareholders, including their proxies are encouraged to participate in the question and answer ("Q&A") session, where they will be given the opportunity to engage with the Board by raising their queries and seek clarifications on the Group's businesses, performance and future prospects to the Board. The Chairman will first address questions which have been sent in earlier by the shareholders and thereafter open the time for Q&A session with shareholders present at the meeting.

The Company's AGM will be held at easily accessible venues for the convenience of the shareholders.

The External Auditors will also be invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statements.

This Statement is authorised for issue by the Board of Directors of the Company on 24 April 2025.