

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of BWYS Group Berhad (“**BWYS**” or the “**Company**”) recognises that strong corporate governance is critical in driving long-term sustainable value, managing risks effectively and maintaining investor confidence.

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 2025 (“**FYE 2025**”). This Statement is prepared pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) 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 a 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 thirty-nine (39) recommended practices, two (2) departures while two (2) recommended practices were not applicable in view of (i) BWYS is not a large company (Practice 12.2) and, (ii) BWYS had held its physical general meeting in the financial year under review (Practice 13.5). The Board remains committed to progressively enhancing its governance practices and will continue to review areas of improvement in line with evolving best practices.

The departures in recommended practice in FYE 2025 were 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.
- (ii) 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 recommended practices not applicable in FYE 2025 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 4.5, 9.4 and 10.3 in FYE 2025 as follows:

- (i) Practice 4.5 – The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.
- (ii) Practice 9.4 – The Audit Committee should comprise solely of independent directors.
- (iii) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2025, 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, with appropriate balanced skills, independence and experience to support the Group's strategic objectives. 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 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.

Sustainability Governance

The Board retains ultimate responsibility for the oversight of sustainability matters and ensures that sustainability considerations are integrated into the Group's strategy, operations and risk management framework. These sustainability strategies, initiatives and practices are available in our Company's website at <https://www.bwysgroup.com>.

To support the Board in discharging its responsibilities, the Group has established a Sustainability Management Committee ("**SMC**") and a Sustainability Working Group ("**SWG**"). The SMC, chaired by a designated senior management personnel, provides strategic direction and oversight on sustainability matters, while the SWG is responsible for the implementation, monitoring and day-to-day management of sustainability initiatives across the Group.

The SWG consolidates sustainability data, tracks key performance indicators and coordinates initiatives across business units, and reports to the SMC on a regular basis. The SMC Chairman, in turn, provides quarterly updates to the Board, covering key sustainability performance indicators, progress of initiatives, material environmental, social and governance ("**ESG**") risks and regulatory developments.

During the financial year, the Board reviewed updates presented by the SMC Chairman, including ESG performance, regulatory developments and progress against sustainability initiatives.

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

The details of the Group's sustainability practices are set out in the Sustainability Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Company Secretaries

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). Both the Company Secretaries are qualified pursuant to the requirements of the Companies Act 2016 (“the Act”).

The Board obtains appropriate advice and support from the Company Secretaries on company secretarial matters, compliance with the relevant laws and regulations and adoption of corporate governance best practices. The Company Secretaries ensure that the Board and Board Committees meetings are properly convened and the proceedings are properly recorded. The Company Secretaries also work closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

The Board is regularly updated and apprised by the Company Secretaries on changes in the Act, new and/or changes in relevant rules/regulations issued by regulatory authorities.

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 Board, 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 annual financial statements for announcement to the Bursa Securities and stakeholders. The ARMC reviews and recommends the financial statements prior to presentation to the Board;
- (h) to oversee and evaluate the conduct of the businesses of the Company;
- (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 MCCG;
- (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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Responsibilities (Cont'd)

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, five (5) 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 2025
Dato' Saidi Bin Ismail Independent Non-Executive Chairman	5/5
Kang Beng Hai Non-Independent Executive Director / Managing Director	5/5
Kang Yi Ki Non-Independent Executive Director	5/5
See Swee Sie Independent Non-Executive Director	5/5
Teresa Tan Siew Kuan Independent Non-Executive Director	5/5
Lim Chee Hoong Independent Non-Executive Director	5/5

The Directors recognise the need to continually develop and refresh their skills and knowledge to effectively discharge their duties and responsibilities. During the financial year, the Directors have undertaken various training programmes to keep abreast of developments in the industry, sustainability matters, regulatory updates, taxation, emerging risks, corporate strategies and evolving business challenges.

The details of training programmes attended by the Directors during the financial year are set out below:

Director	Training / Courses Attended	Organiser / Trainer	Date
Dato' Saidi Bin Ismail	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• SST Expansion	CAD Training Centre	21 November 2025
Kang Beng Hai	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• SST Expansion	CAD Training Centre	21 November 2025
Kang Yi Ki	• Seminar on Sales Tax Expansion: Updates & Implications for the Iron and Steel Industry	Malaysian Iron & Steel Industry Federation (MISIF)	26 August 2025
	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
See Swee Sie	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• E-Invoicing Strategic Implementation	Knowledge Tree	26 November 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Responsibilities (Cont'd)

Director	Training / Courses Attended	Organiser / Trainer	Date
Teresa Tan Siew Kuan	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	22 - 23 January 2025
	• Share Capital - Issuance and Alteration	CPA AUSTRALIA	19 March 2025
	• CFO Circle Webinar: Strategic Leadership in the Age of AI and RPA - Driving Purpose and Innovation	Malaysia Institute of Accountants	19 May 2025
	• Cyber Risk - An Enterprise Risk, Not just IT Risk	Netaassist (M) Sdn Bhd	23 July 2025
	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• Tax Seminar on Budget 2026	REMS Tax Services Sdn Bhd	20 November 2025
Lim Chee Hoong	• Implementation of E-Invoicing in Malaysia	Chartered Tax Institute Of Malaysia	13 February 2025
	• All You Need to Know about Personal Taxation	Chartered Tax Institute Of Malaysia	24 February 2025
	• [SSM Webinar] MBRS 2.0 For Preparers - Financial Statements	Suruhanjaya Syarikat Malaysia	5 - 6 March 2025
	• Transfer Pricing: Revised Scope, Requirements & Audit Approach	Chartered Tax Institute Of Malaysia	12 March 2025
	• Perak Tax Forum 2025: Tax in a Digital World - Challenges and Opportunities	Chartered Tax Institute Of Malaysia	17 April 2025
	• Malaysian Private Reporting Standards (MPERS) - Updates and Application of MPERS	The Malaysian Institute Of Certified Public Accountants	17 - 18 July 2025
	• Cyber Risk - An Enterprise Risk, Not Just IT Risk	Netaassist (M) Sdn Bhd	23 July 2025
	• Anti Bribery Management Awareness and Refresher Session Business Continuity Management and Crisis Management Awareness Training	GRC Consulting Services Sdn Bhd	7 August 2025
	• SSM National Conference 2025 on Leading Governance for Sustainable Growth	Suruhanjaya Syarikat Malaysia	19 - 20 August 2025
	• Sustainability Reporting	YNC Business Consulting Sdn Bhd	8 October 2025
	• Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)	Lembaga Hasil Dalam Negeri Malaysia	14 October 2025
	• 2026 Budget Seminar	Chartered Tax Institute Of Malaysia	21 October 2025
	• Case Study - Based MRFS Webinar: MFRS 15 Revenue from contracts with Customers MPERS Section 23 & 24	Malaysia Institute of Accountants	1 December 2025

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 has 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.

The NC conducted an annual assessment to evaluate the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director for the FYE 2025. The assessment also included a review of the independence of Independent Directors and the Board's skills matrix.

Based on the assessment, the NC concluded that the overall effectiveness of the Board and Board Committees was good and satisfactory respectively, with the Board demonstrating an appropriate balance of skills, experience, independence and knowledge to effectively discharge its roles and responsibilities. The Board was also assessed to be appropriately sized to support the Group's strategic objectives.

The assessment also identified areas for enhancement, including increasing the frequency and duration of Board meetings to allow for more in-depth deliberation, as well as strengthening the Board's oversight of sustainability matters through the incorporation of sustainability-related key performance indicators in Board discussions.

The NC is satisfied that the evaluation process was conducted in a formal and objective manner, and that the outcomes of the assessment have been appropriately considered by the Board for continuous improvement.

There were no new Board members nominated / elected during the FYE 2025.

During the FYE 2025, the NC conducted a fit and proper assessment of Mr Kang Beng Hai and Mr Lim Chee Hoong, who sought for re-election as Directors at the Second Annual General Meeting on 29 May 2025. The assessment included the submission of Director's Declaration of Fit and Proper to the NC, and the NC subsequently recommended their re-election as Directors.

On 26 February 2026, the NC also assessed Ms Kang Yi Ki and Ms See Swee Sie, who are seeking for re-election at the upcoming Third Annual General Meeting, following the submission of the Director's Declaration of Fit and Proper by the retiring Directors.

The Board was satisfied with the assessment results and concurred with the NC's recommendation to propose the re-election of Ms Kang Yi Ki and Ms See Swee Sie at the upcoming Third Annual General Meeting.

The NC had, on 28 November 2025, reviewed the resignation of the Chief Financial Officer.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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 18 November 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 FYE 2025 are as follows:

No	Name	Group ('000)						Total
		Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Dato' Saidi Bin Ismail	72	8	-	-	-	-	80
2	Kang Beng Hai	-	-	1,980	413	21	384	2,798
3	Kang Yi Ki	-	30	211	44	2	36	323
4	See Swee Sie	48	9	-	-	-	-	57
5	Teresa Tan Siew Kuan	48	9	-	-	-	-	57
6	Lim Chee Hoong	48	11	-	-	-	-	59

The Board acknowledges the importance of transparency in remuneration disclosure. However, the Board has opted not to disclose the detailed remuneration of the top five senior management on a named basis due to:

- the competitive nature of the industry, where such disclosure may expose the Group to talent retention risks; and
- the relatively small size of the senior management team, which may lead to identification of individuals.

Notwithstanding this, the Board ensures that remuneration is benchmarked against industry practices and aligned with performance, with oversight by the RC. The Board will continue to review this approach.

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

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>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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 whistleblowers 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. All reports are treated confidentially and investigated independently, with appropriate action taken where necessary.

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 has 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.

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 2025 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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 reports 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.

Some of the key risks identified with relevant mitigations that were tabled during the ARMC meetings are summarised as follows:

- Regulatory and Compliance Risk

The Group is exposed to risks arising from changes in government policies, laws and regulations, including taxation and industry-specific requirements.

To mitigate this risk, the Group ensures continuous monitoring of regulatory developments and maintains strict compliance with applicable laws and regulations. Key personnel regularly attend relevant seminars and training programmes to stay updated on regulatory changes, including taxation updates such as the Sales and Service Tax ("SST") expansion.

The Board and Management also ensure timely dissemination and implementation of regulatory updates across the Group.

- Supply Chain Disruption Risk

The Group faces potential supply chain disruptions due to over-reliance on specific suppliers or geographic regions, as well as exposure to natural disasters such as floods.

To address this, the Group has diversified its supplier base by engaging multiple suppliers across different regions, including international suppliers, to reduce dependency on any single source. This diversified procurement strategy enhances supply continuity and resilience against disruptions.

- Operational Risk – Fire and Safety

The Group is exposed to operational risks including fire hazards and workplace safety incidents.

Mitigation measures include maintaining minimal usage of flammable materials, ensuring all premises are equipped with fire protection systems approved by the relevant authorities, and establishing an Emergency Response Team.

Regular fire drills and safety procedures are conducted to enhance preparedness, and contingency plans such as securing alternative operating sites are in place to minimise business disruption.

- Credit Risk (Debtors Collection)

The Group is exposed to credit risk arising from delays in customer payments, which may impact cash flow and financial performance.

To mitigate this risk, the Group conducts monthly debtor ageing reviews and closely monitors outstanding receivables. The Finance Department works closely with the sales team to ensure timely collection, supported by proper documentation and continuous follow-up on overdue accounts.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

iii. Internal Audit Function

The Group's internal audit function is outsourced to an independent internal audit firm to provide the Board and the ARMC with an objective and independent assessment of the adequacy, effectiveness and efficiency of the Group's internal control and risk management systems.

The internal audit function reports functionally and directly to the ARMC, thereby maintaining its independence from Management. The ARMC oversees the internal audit function, including the review and approval of the internal audit plan, scope of work, audit findings and recommendations.

The internal auditors have unrestricted access to all records, personnel and relevant information of the Group in the performance of their duties. The ARMC also assesses the performance, independence and objectivity of the internal audit function on an annual basis to ensure its continued effectiveness.

During FYE 2025, the internal audit function carried out its audit work in accordance with the approved audit plan, and the findings together with Management's responses and action plans were reported to the ARMC for deliberation and monitoring of implementation.

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 and Extraordinary General Meetings also serve as principal avenues for direct interaction between the Board 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

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.

The Company's 2nd AGM, held on 29 May 2025, was conducted at an easily accessible venue to facilitate shareholders' participation, with full attendance of all the Directors of the Company.

The forthcoming AGM is scheduled on 30 June 2026, will be held physically. 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 External Auditors will also be invited to attend the AGM of the Company.

All resolutions set out in the notice of the AGM will be put to vote by poll and the votes cast will be validated by an independent scrutineer appointed by the Company. The outcome of the AGM of the Company will be announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Minutes of the AGM including the responses to the questions raised were uploaded on the Company's website within thirty (30) business days after the meeting.

CONCLUSION

The Board is satisfied that, it complies substantially with the recommendations of the practices of the MCCG throughout the FYE 2025. The Board will continue to strengthen its governance practices with a focus on enhancing transparency, sustainability integration and stakeholder engagement.

This Statement and CG Report are authorised for issue by the Board of the Company on 22 April 2026.