

# **SHIN YANG GROUP BERHAD**

## **TERMS OF REFERENCE OF FINANCE COMMITTEES**

### **1.0 OBJECTIVES**

- 1.1 The Finance Committee (“the Committee”) is established by the Board of Directors of Shin Yang Group Berhad (“the Company”) to oversee the financial management, treasury function, investment activities, and related financial matters of the Company. The Committee ensures that the financial strategy aligns with the Company's goals, evaluates financial risks, and ensures the accuracy and integrity of financial reporting.

### **2.0 COMPOSITION**

- 2.1 The Committee shall consist of six members, including:
- i. Two Independent Directors (with one of them serving as the Chairperson)
  - ii. Group Accountant from Shin Yang Holding Group
  - iii. CEO (Chief Executive Officer)
  - iv. COO (Chief Operating Officer)
  - v. CFO (Chief Financial Officer)

- 2.2 The Board shall elect a Chairperson from among the members, who shall be an independent director.

The Chairperson of the Committee will be Dr. Dominic Lai Yew Hock, one of the independent directors.

### **3 MEETING**

- 3.1 The Committee shall meet at least quarterly or more frequently as needed, with meetings scheduled by the Chairperson.
- 3.2 Meetings can be held in person or via electronic means, and a quorum will require at least four members, including at least one independent director.
- 3.3 The Committee may invite each division head or other relevant personnel to attend meetings as required.

### **4 AUTHORITY**

- 4.1 The Committee has the authority to request information from Company executives, including financial statements, reports, and other materials necessary to fulfil its duties.
- 4.2 The Committee makes recommendations to the Board of Directors on financial matters for Board's approval

## **5 DUTIES**

The main functions and duties of the Committee shall include but are not limited to the following:

### **5.1 Financial Strategy and Policy:**

- 5.1.1 Review and recommend the Company's financial strategies, policies, and objectives to the Board for approval,
- 5.1.2 Evaluate major financial decisions, including investment strategies, asset management and treasury function,
- 5.1.3 Oversee the Company's capital structures, funding and placement strategies.

### **5.2 Financial Reporting and Integrity:**

- 5.2.1 Monitor the financial health of the organization through regular reviews of financial reports, including income statements, balance sheets, and cash flow statements, and makes recommendations for improvement.
- 5.2.2 Review key performance indicators (KPIs) related to financial performance, such as profitability, liquidity ratios, and return on investment, and ensure these are properly reflected in the financial reports.

### **5.3 Budget and Forecasting:**

- 5.3.1 Review the annual budget and financial forecasts,
- 5.3.2 Monitor the financial performance against the budget and analyse variances,
- 5.3.3 Monitoring and overseeing Accounts Payable and Accounts Receivable including related parties by reviewing aging reports, assessing policies and internal controls, ensuring compliance, and making recommendations for improvement.

### **5.4 Investment and Capital Expenditures:**

- 5.4.1 Review major capital expenditures, investments, and financial commitments to ensure alignment with the Company's long-term goals,
- 5.4.2 Ensure proper financial evaluation of significant projects and investments.

## **6 REPORTING PROCEDURES**

- 6.1 The Committee will report to the Board of Directors after each meeting, providing a summary of key discussions, decisions made, and recommendations.
- 6.2 The Committee will provide a report to the Board of Directors on any material financial matters requiring Board attention or approval.

## **7 THE COMMITTEE'S PERFORMANCE**

- 7.1 The Committee will conduct an annual review of its own performance and assess whether it is meeting its objectives and responsibilities as outlined in this Terms of Reference.
- 7.2 The results of the performance evaluation will be reported to the Board of Directors.

## **8 THE COMMITTEE'S ETHICS AND PROCEDURES**

- 8.1 All Committee members must maintain confidentiality regarding sensitive financial information, decisions, and discussions. Any breach of confidentiality may result in disciplinary action.
- 8.2 The Committee shall ensure that its actions comply with all applicable laws, regulations, and accounting standards. This includes ensuring compliance with company laws, Bursa Securities regulations, Companies Commission of Malaysia Act, Securities Commission and corporate governance codes.
- 8.3 The Committee members are required to disclose any actual or potential conflicts of interest related to the Company's financial matters, whether personal, professional, or financial. If a conflict arises, the member should recuse themselves from any relevant discussions or decision-making processes.

## **9 REVIEW OF TERMS OF REFERENCE**

- 9.1 The Terms of Reference may be amended from time to time by the Board of Directors.

**Last update: 13 March 2025**