

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5173
COMPANY NAME : Shin Yang Group Berhad
FINANCIAL PERIOD : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this Section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURE ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this Section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

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

Practice 1.1

The Board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The Board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>The Board of Directors ("Board") defines the Vision, "To become a One-stop Quality Service Provider in Shipping and Marine Engineering, Land and Automotive Dealership in South East Asia and Beyond."</p> <p>In pursuit of the Vision, the Group is guided by the following core values: -</p> <ol style="list-style-type: none">Prioritizing comprehensive, innovative and efficient quality servicesEmbracing change with a commitment to sustainabilityMaintaining robust quality assurance and managementUpholding environmental, health, and safety stewardship <p>The Board has the overall responsibility for the performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance and governance issues. The Board is guided by the prevailing legal and regulatory requirements as well as the Company's policies in discharging its fiduciary duties and responsibilities. The Board delegates the day-to-day management of the Group's business to the management team while reserving its consideration for significant matters such as the following: -</p> <ul style="list-style-type: none">Formulation of corporate policies and strategies;Overseeing and evaluating the conduct of the Group's businesses;Identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; andReviewing and approving key matters such as financial results, structures and policies, investments and divestments, acquisitions and disposals and major capital expenditure;Ensuring full compliance with the Listing Requirements of Bursa Securities and all other applicable laws, regulations and statutory requirements.

	<p>The Board has three (3) standing Committees, namely, the Audit and Risk Management Committee (“ARMC”), Joint Remuneration and Nomination Committee (“JRNC”) and Finance Committee (“FC”), each operating within the defined Terms of Reference, to assist the Board in discharging its responsibilities.</p> <p>The Board, together with its Key Senior Management, on a quarterly and an annual basis, conduct strategy reviews and budget sessions which provides an avenue for the Board and the Key Senior Management to discuss, among others, the strategic direction of the Group for a given year, the financial and operational performance of the Group, the setting of performance KPIs, and budget allocations.</p> <p>Risk Management is regarded as an integral part of business operations. With the system of Internal Control in place, and periodic review by internal and external parties to ensure full compliance in its commitment, the Board monitors any risk that might be faced by the business and operations of the Group. The Key Senior Management personnel are then responsible in managing the identified risks.</p> <p>The Board is overall responsible for maintaining and ensuring the integrity of a sound system of Internal Control which supports effective and efficient operations to safeguard shareholders’ interests and the Group’s business and assets.</p> <p>The Statement of Risk Management and Internal Controls is set out in the Company’s Annual Report and provides an overview of the state of internal controls within the Group.</p> <p>The ARMC assists the Board in reviewing and monitoring the integrity and adequacy of internal controls, the financial and non-financial reporting processes, policies and practices of the Group. It also reviews any related party transactions and conflict of interest situations that may arise within the Group.</p> <p>As for the JRNC, the JRNC is tasked with the responsibility of, among others, overseeing the succession planning and talent management of the Group, establishing a competitive remuneration policy for the Group.</p> <p>The FC provides oversight and guidance on capital investment decisions, financial planning, and funding strategies.</p> <p>The Board identifies the Company’s Annual Report and the Annual General Meeting as the key channel of communications with the shareholders/stakeholders, to report the progress and performance of the Group.</p>
<p>Explanation for departure</p>	<p>:</p>

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 1.2

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

Application	: Applied
Explanation on application of the practice	<p>The Chairman of the Board is Tan Sri Datuk Ling Chiong Ho, who was re-designated as Group Executive Chairman since 28 February 2022. He provides leadership to the Board and instils good corporate governance practices at all levels of the Group.</p> <p>As Chairman, he leads the Board by providing advice, oversight of management and among others, includes the following roles and responsibilities: -</p> <ul style="list-style-type: none">a) Providing leadership to the Board and is responsible for the developmental needs and strategies;b) Ensuring that guidelines and procedures are in place to govern the Board's operation and conduct;c) Ensuring the smooth functioning of the Board and the governance structure and positive culture in the Board;d) Ensuring that procedures and processes are in place to facilitate effective conduct of business by the Board;e) Chairing the Board meetings and ensuring the efficient organisation and conduct of the meetings;f) Providing support and guidance to the Key Senior Management to assist and facilitate management succession planning;g) Grooming and mentoring the Key Senior Management to achieve consistently high levels of professionalism and excellent performances; andh) Managing an interface between the Board and Management. <p>The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings and sufficient time is allowed for discussion. When chairing Board meetings, the Chairman ensures the following: -</p> <ul style="list-style-type: none">i. All relevant issues are on the agenda of the Board meetings;ii. The Board debates on strategic and critical issues;iii. The Board receives the necessary management reports relating to the Group's business on a timely basis;iv. All Directors are able to participate openly in discussions at the Board meetings;v. Providing leadership to the Board and is responsible for the developmental needs of the Board.

	The Chairman of the Group may appoint another member of the Board to chair the general meetings of the Company and provide clarification on issues raised by the shareholders as deemed necessary in accordance with the Company's constitution.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Datuk Ling Chiong Ho is the Group Executive Chairman while Captain Ting Hien Liong (until 31 December 2025) and Richard Ling Peng Liing (effective from 1 January 2026) are the Chief Executive Officer. They are not "persons connected" under the definition of Bursa Malaysia Main Market Listing Requirements.</p> <p>The distinct and separate roles of the Group Executive Chairman and Chief Executive Officer, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making. The Group Executive Chairman is responsible for leadership, orderly conduct and effective working of the Board, whereas the Chief Executive Officer is responsible for the day-to-day management of the Group's business.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.4

The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the Board Chairman is not a member of any of these specified committees, but the Board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Group Executive Chairman, Tan Sri Datuk Ling Chiong Ho is neither a member of the Audit and Risk Management Committee nor a member of the Joint Remuneration and Nomination Committee. During the period under review, he also did not attend any of these Committee meetings as an invitee.</p> <p>The Board is cognisant that having the same individual assuming the positions of Chairman of the Board as well as Chairman or a member of Board Committees may give rise to an exercise of self-review risks. This may have the effect of compromising the impartiality of Board-level deliberations. In acknowledging this governance concern, the Board consistently maintains such appropriate governance safeguards aligned with the principles and best practices in the Code of Corporate Governance.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

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

Practice 1.5

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

Application	: Applied
Explanation on application of the practice	<p>The Company Secretary, Richard Ling Peng Liing, (SSM Practicing Certificate No: 201908000676) is a holder of Master in Business Administration from Curtin University of Technology, Australia, a Fellow member of the Association of Chartered Certified Accountants (FCCA), Malaysian Institute of Accountants (MIA) and the Chartered Tax Institute of Malaysia (CTIM). He also satisfies the qualification as prescribed under Section 235(2) of the Companies Act, 2016 and has the requisite experience and competency in company secretarial services.</p> <p>The Company Secretary updates the Board on new and updated legislation including statutes and directives issued by the regulatory authorities. The Company Secretary attends all of the Board and Committee meetings and ensures that all procedures are adhered to.</p> <p>The roles of Company Secretary include, among others, the following:-</p> <ul style="list-style-type: none">a) Ensures compliance of regulatory requirements by providing updates on new Listing Requirements and the Companies Act 2016 to the Board;b) Advises and reminds the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;c) Advises and reminds the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;d) Prepares agenda items of meetings for the Board and its Committees and send to the respective Board and its Committees;e) Supports the Board by ensuring adherence to Board practices, procedures, rules, relevant laws and best practices on Corporate Governance;f) Attends all Board and Board Committee meetings to ensure that meetings are properly convened, and that accurate proper records of the proceedings and resolutions passed are made and maintained accordingly; andg) Maintains a secured retrieval system which stores meeting papers and minutes of the Board and Board Committees. <p>The Company Secretary also attend regular training to keep himself abreast of the evolving capital market environment, regulatory</p>

	changes and developments in corporate governance. He also attends continuous professional development programmes as required by the Companies Commission of Malaysia, the Malaysian Institute of Chartered Secretaries and Administrators and other professional bodies.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 1.6

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

Application	:	Applied
Explanation on application of the practice	:	<p>Board meetings are held on a quarterly basis and ad hoc Board meetings will be held as and when required.</p> <p>The Board meetings are scheduled in advance to allow Directors sufficient time to plan their attendance.</p> <p>The Notice of the meeting together with the agenda and meeting materials are circulated in a timely manner in accordance with Board practices, to allow reasonable time for the Directors to review the papers before the meeting.</p> <p>The minutes of meetings are prepared, circulated and submitted for approval at the next Meeting. The signed minutes of the Board/Committee meetings are entered in the Minutes Books kept by the Company Secretary.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the Board, Board committees and management.

There is clarity in the authority of the Board, its committees and individual Directors.

Practice 2.1

The Board has a Board charter which is periodically reviewed and published on the company's website. The Board charter clearly identifies–

- the respective roles and responsibilities of the Board, Board committees, individual Director and management; and
- issues and decisions reserved for the Board.

Application	:	Applied
Explanation on application of the practice	:	<p>A Board Charter has been established with the objectives to ensure that all Board Members are aware of their duties and responsibilities, various legislation and regulations affecting their conduct, principles and practices of good corporate governance are applied accordingly. The Board Charter is reviewed periodically and updated in accordance with the needs of the Group and any new regulation that may have an impact on the discharge of the Board's responsibilities.</p> <p>The Board is aware of the importance of continuous training for the Directors to enable them to effectively discharge their duties. The Board will continuously evaluate and determine the training needs of the Directors as prescribed in the Board Charter. All Directors are encouraged to attend continuous education programmes and seminars to keep abreast of the current developments and business environment affecting their roles and responsibilities.</p> <p>In carrying out its duties, certain matters are specifically reserved for the Board's decision, including overall strategic directions, operating plans, capital expenditure plans, material acquisitions and disposals, material capital projects, monitoring the Group's operating and financial performance and reviewing key risks affecting the Group.</p> <p>Formal Board Committees established by the Board with defined terms of reference, namely the Audit and Risk Management Committee, Joint Remuneration and Nomination Committee and Finance Committee assist the Board in the discharge of its duties.</p> <p>The Board Committees will deliberate and examine issues in greater detail within their respective Terms of Reference and make their necessary recommendations to the Board which retains full responsibility.</p> <p>The Board Charter is available at the Company's website www.shinyanggroup.com.my</p>

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

Intended Outcome

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The Board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<p>The Company has a Code of Conduct and Ethics ("Code") which applies to all employees and Directors of the Company and its subsidiaries. The Code, together with other related policies, procedures and guidelines which are disseminated to employees at the Company's intranet portal, sets out the principles to guide standards of behavior and business conduct when dealing with third parties and these are integrated into company-wide management practices. The Code is reviewed and updated periodically, as appropriate.</p> <p>The Code is based on the following principles:-</p> <ul style="list-style-type: none">• Responsibility and Compliance with the Code• Office rules and regulations• Conflict of interest• Supply chain code• Personal integrity and professionalism• Accountability and transparency• Compliance and continuous improvement• Declaration of interest• Business gifts and hospitality• Absence of duty• Security and confidential information• Harassment and sexual harassment• Abusing assets or office facilities• Drugs and liquors• Career development• Professionalism and attitude• Office attire and appearance <p>The Code is periodically reviewed and available on the Company's website.</p> <p>Last updated: 18 November 2023</p>

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

Intended Outcome

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The Board establishes, reviews and together with management implements policies and procedures on whistle-blowing.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the importance of whistle-blowing and is committed to maintaining the standards of ethical conduct within the Group. The Group is committed to operate in compliance with all applicable laws, rules and regulations, including those concerning to accounting and auditing, and prohibits fraudulent practices by any of its Board members, key management team and/or employees. The Board has established a whistle-blowing policy which outlines procedures for employees to report actions that an employee reasonably believes violate the law, or a regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to the Group's business.</p> <p>The Whistle-Blowing policy is available on the Company's website.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.1

The Board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by Senior Management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of incorporating sustainability considerations into the Group's business and corporate activities, and how sustainability is essential for successful business strategies that deliver sustainable value to all stakeholders and ultimately boosts the business performance of the Group.</p> <p>The Board and the Key Senior Management proactively govern the Group's materiality processes, including setting the Group's sustainability strategies, priorities and targets. Any action against these defined strategies, priorities and targets is communicated to the Group's internal and external stakeholders.</p> <p>The Board and the Key Senior Management integrate Economic, Environmental, Social and Governance (EESG) factors into their investment decision-making process and the Group's overall strategy and operations in paving the path for a more sustainable future.</p> <p>Further details are disclosed in the "Sustainability Report" section of the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.2

The Board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises that stakeholders' engagement and their feedback are an integral part of its sustainability strategy and initiatives. The Group is committed to form a sustainable, mutually beneficial relationship with its stakeholders to achieve sustainable value creation and preservation for all.</p> <p>As with preceding years, the Group has produced a Sustainability Report that forms part of the Company's Annual Report, pursuant to the Bursa Malaysia Sustainability Guide and the accompanying toolkits.</p> <p>Further details are disclosed in the "Sustainability Report" section of the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.3

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board keeps itself abreast of relevant sustainability developments by way of formal training sessions, industry talks, presentation of updates to allow structured reading and deliberations. During the financial period under review, the Board members pro-actively attended physical conferences, seminars and webinars covering a wide range of sustainability topics, including on the subject matter of climate change.</p> <p>The Board will continue to engage with subject matter experts from within and external and attend relevant training to ensure that the Board has knowledge in supporting the Group to enhance its sustainability focus and formulate sustainability strategy.</p> <p>To further strengthen its sustainability practices and disclosures, the Group has subscribed to the Centralised Sustainability Intelligence (CSI) Solution launched by Bursa Malaysia, which serves as a centralised platform to enhance data management, improve reporting accuracy, and facilitate comprehensive monitoring of sustainability performance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.4

Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board had, through its Joint Remuneration and Nomination Committee, carried out annual performance evaluation on the Board's effectiveness in addressing the Group's material sustainability risks and opportunities. The Board, through the Human Resource Department, ensures that the performance of Key Senior Management in managing material sustainability risks and opportunities is taken into consideration as part of their performance evaluation.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 4.5- Step Up

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

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

Application	:	Adopted
Explanation on adoption of the practice	:	The Group's Sustainability Team, Ms. Michelle Lau and Ms. Ngu Xiang Hui, ensures that the Group's sustainability policies comply with all sustainability related standards and prevailing market requirements.

Intended Outcome

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

Practice 5.1

The Nomination Committee should ensure that the composition of the Board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the Board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Joint Remuneration and Nomination Committee conducts yearly assessment on the appropriateness, effectiveness and mix of skills of the Board and Board Committees, the Board's and Board Committees' composition, time commitment performance, contribution and experience of each director.</p> <p>Currently, the Board comprises members from diverse backgrounds which provide the Group with diverse views and a wealth of expertise, advice and experience. The profiles of the Directors are provided in the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p> <p>The Joint Nomination and Remuneration Committee has reviewed and conducted the assessment of the Directors for appointment and re-election, the tenure of Directors based on merit, fit and proper criteria pursuant to the Listing Requirements and the Malaysian Code on Corporate Governance ("MCCG") 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.2

At least half of the Board comprises independent Directors. For Large Companies, the Board comprises a majority independent Directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board currently has nine (9) Board members comprising four (4) Non-independent Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. The Independent Directors constitute 44% of the Board.</p> <p>This fulfils the Bursa Malaysia Listing Requirements which require at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent Director.</p> <p>However, this does not meet the criteria of having a majority of Independent Directors for Large Company as set out in the MCGG.</p> <p>Although the current independent composition of the Board does not meet the 50% threshold as recommended by the Code, it does comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Constitution of the Company.</p> <p>The Board is of the opinion that the current composition of Independent Directors is sufficient to provide the necessary checks and balances on the decision-making process of the Board as evidenced in their contribution and participation as members of the various Board Committees and their independent oversight and constructive challenge to the Executive Directors. The Non-Independent Directors to declare any potential conflict of interest and abstain from all deliberation and decision-making in such matters which may arise in conflict of interest.</p> <p>The Board, through its Joint Nomination and Remuneration Committee, carries out an annual assessment of the Independent Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.</p> <p>The extensive knowledge and experience of the four (4) Independent Director are invaluable in providing the necessary checks and balances and taking care of the minority shareholders' interest.</p>

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

Measure	:	The Board through its Joint Nomination and Remuneration Committee, will continue to identify potential independent Director that possess the right skills and knowledge required by the Group.	
Timeframe	:		

Intended Outcome

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

Practice 5.3

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

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

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.4 - Step Up

The Board has a policy which limits the tenure of its independent Directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step-Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: It is stated in the Board Charter that the tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon the completion of the nine (9) years, the Board may, at its absolute discretion, consider re-designating the Independent Director as a Non-Independent Director if it is so determined that the expertise and experience of the independent director is still relevant. For the financial period ended 31 December 2025, none of the Independent Non-Executive Directors in the Board have reached nine (9) years of tenure.

Intended Outcome

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

Practice 5.5

Appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Director appointed should be able to devote the required time to serve the Board effectively. The Board should consider the existing Board positions held by a director, including on Boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	Appointment of the Board and Key Senior Management Personnel is based on merits, academics, professional qualification, diversity of skills, experience, age, background, gender, ethnicity, fit and proper criteria, and their commitment and contribution to the Group. In appointing a new Director, the Board takes into consideration recommendations made by the Joint Remuneration and Nomination Committee. All of the Directors of the Company do not hold more than five (5) Directorships in the listed issuers. This is to ensure that competing time commitments can be managed so as to not impair their ability to discharge their duties effectively.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.6

In identifying candidates for appointment of Director, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing Directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Joint Remuneration and Nomination Committee will consider recommendations of new candidates from various sources, such as the existing Board/ Management/ major shareholders and their own independent sources.</p> <p>The Joint Remuneration and Nomination Committee will evaluate the skills, competency, knowledge, social exposure, experience, professionalism, academics, professional qualification, integrity, fit and proper criteria of new candidates, and then recommend to the Board for approval. The sources and reasons for Joint Remuneration and Nomination Committee's selection of candidate will be made known there.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.7

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

Application	:	Applied
Explanation on application of the practice	:	<p>In compliance with the Constitution of the Company, one third (1/3) of the Director shall retire by rotation at each Annual General Meeting ("AGM"), and that a director who is appointed during the year shall retire at the next AGM. The Constitution further provides that all Directors shall retire from office at least once in every three (3) years.</p> <p>The information of the Directors such as their personal profiles, record of attendance of meetings and their shareholdings in the company (if any) are disclosed in the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p> <p>During the period under review, the assessment relating to the re-appointment of Directors was reviewed by the Joint Remuneration and Nomination Committee and recommended to the Board for approval. Based on the results of the evaluation conducted on their fitness and propriety in line with the Fit and Proper Policy and the annual assessment and evaluation of the Board for the financial period ended 31 December 2025, the Board has recommended the re-appointment of the Directors to the shareholders for approval at the forthcoming 21st AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Joint Remuneration and Nomination Committee is chaired by an Independent Director, Mr. Jack Willien @ William Anak Jinep.</p> <p>The Joint Remuneration and Nomination Committee consists of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:-</p> <p>Mr. Jack Willien @ William Anak Jinep Chairman/Independent Non-Executive Director</p> <p>Dr. Dominic Lai Yew Hock Member/Independent Non-Executive Director</p> <p>Mdm. Ling Siu Chuo Member/Non-Independent Non-Executive Director</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 5.9

The Board comprises at least 30% women Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board comprises 3 women Directors out of 9 Directors, which represents 33% women Directors, in line with the recommendation of the Malaysian Code on Corporate Governance.</p> <p>The Board has no specific policy on setting targets on female candidates to be appointed to the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 5.10

The Board discloses in its annual report the company's policy on gender diversity for the Board and Senior Management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group respects and unequivocally supports the Universal Declaration of Human Rights and advocates fair employment policies and practices as it is committed to provide equal employment opportunities to everyone without any discrimination of age, gender, race, ethnicity, religion and nationality.</p> <p>As such, the Group does not discriminate when it comes to nomination or promotion of any Board member or Senior Management Personnel, its diversity as reflected in the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director.

Practice 6.1

The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual director. The Board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence Board composition.

For Large Companies, the Board engages an independent expert at least every three years, to facilitate objective and candid Board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual Board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Board has delegated the task of the preliminary annual assessment on performance and effectiveness of the Board, Board Committees and each individual Director to the Joint Remuneration and Nomination Committee. This assessment on performance and effectiveness was internally facilitated.</p> <p>For the financial period under review, the Joint Remuneration and Nomination Committee has reviewed and assessed the mix of skills, expertise and experience of the Board. This includes the core competencies of both Executive and Non-Executive Directors, size of the Board, contribution of each Director, effectiveness of the Board and also evaluated the level of independence of the Director.</p> <p>The Board and Board Committees are satisfied with their existing composition and are of the view that, with the current mix of skills, experience, expertise, and competencies of the existing Directors, the Board and respective Board Committees are able to discharge their duties effectively. The Board is also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills is adequate.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

The level and composition of remuneration of Director and Senior Management take into account the company's desire to attract and retain the right talent in the Board and Senior Management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The Board has remuneration policies and procedures to determine the remuneration of Director 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 Director, Executive Director and Senior Management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a formal and transparent process in determining the appropriate remuneration package for the Director and Key Senior Management.</p> <p>Among others, the criteria adopted by the Company and its subsidiaries in considering the remuneration of the Key Senior Management are as follows:-</p> <ul style="list-style-type: none">• The overall performance of the Company and its subsidiaries;• Individual performance;• General economic situation;• Prevailing market practice;• Salary position against market trend; and• Skills and experiences. <p>The Board, with the assistance of the Joint Remuneration and Nomination Committee ("JRNC"), recommends a fair and attractive remuneration framework, which includes the remuneration packages and other terms of employment for the Executive Director. In formulating the remuneration framework, the Joint Remuneration and Nomination Committee also ensures that the remuneration policy remains supportive of the Group's corporate objectives and is aligned with the interests of the shareholders. It will be able to attract, retain and motivate the Executive Director to be reflective of their experience and level of responsibilities. The Executive Director abstained from deliberation on their own remuneration at Board meetings.</p> <p>The Non-Executive Directors are paid a fixed monthly Director' fee. The determination of the monthly Director' fee for Non-Executive Directors is based on the seniority, experience, contribution and level of responsibilities in Board Committees by</p>

	a particular Non-Executive Director. The monthly Director' fee payable to Non- Executive Directors will be tabled to the shareholders for approval at the forthcoming 21 st AGM. The Director who are also the shareholders shall abstain from voting at the forthcoming 21 st AGM on resolutions pertaining to their Director' fees.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of Director and Senior Management take into account the company's desire to attract and retain the right talent in the Board and Senior Management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The Board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Joint Remuneration and Nomination Committee is chaired by an Independent Director, Mr. Jack Willien @ William Anak Jinep.</p> <p>The Joint Remuneration and Nomination Committee consists of two Independent Non-Executive Director and one Non-Independent Non-Executive Director as follows:-</p> <p>Mr. Jack Willien @ William Anak Jinep Chairman/Independent Non-Executive Director</p> <p>Dr. Dominic Lai Yew Hock Member/Independent Non-Executive Director</p> <p>Mdm. Ling Siu Chuo Member/Non-Independent Non-Executive Director</p> <p>The terms of Reference of the Joint Remuneration and Nomination Committee is available on the Company's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of Director and Senior Management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual Directors. The remuneration breakdown of individual Directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for the financial period ended 31 December 2025 for each individual Director with a breakdown into fees, salaries and bonus, allowance and other emoluments are set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	TAN SRI DATUK LING CHIONG HO	Executive Director	0	0	1,170	585	0	47	1,802	0	0	1,270	595	0	53	1,918
2	LING CHIONG SING	Executive Director	0	0	510	255	0	21	786	0	0	900	317	0	38	1,255
3	LING CHIONG PIN	Executive Director	0	0	300	150	0	12	462	0	0	330	160	0	14	504
4	DATUK LING LU KIONG	Executive Director	0	0	300	300	0	37	637	0	0	300	300	0	37	637
5	LING SIU CHUO	Non-Executive Non-Independent Director	18	0	0	0	0	0	18	18	0	0	0	0	0	18
6	YONG NYET YUN	Independent Director	75	0	0	0	0	0	75	75	0	0	0	0	0	75
7	JACK WILLIEN @ WILLIAM ANAK JINEP	Independent Director	18	0	0	0	0	0	18	18	0	0	0	0	0	18
8	DR. LAI YEW HOCK, DOMINIC	Independent Director	75	0	0	0	0	0	75	75	0	0	0	0	0	75
9	IZAN NADIAWATI BINTI MOHAMAD TABIB	Independent Director	18	0	0	0	0	0	18	18	0	0	0	0	0	18

Intended Outcome

Stakeholders are able to assess whether the remuneration of Director and Senior Management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The Board discloses on a named basis the top five Senior Management's remuneration components including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	It is not in the interest of the Group to disclose detailed remuneration components of the top five (5) Key Senior Management in bands of RM50,000 on a named basis in view of confidentiality and security reasons. In addition, the Group is operating in a very competitive environment where talent retention is a challenge.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company has identified the top 5 Key Senior Management as follows: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Yard Manager and Fleet Manager. The combined remuneration of these executives for the period ended December 2025 was approximately RM2.21 million (June 2025: RM3.31 million) inclusive of basic salary, allowance, bonus, benefit in kind and other emoluments.
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of Director and Senior Management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of Senior Management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the Board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of Audit and Risk Management Committee and the Board are held by different persons. Chairman of the Audit and Risk Management Committee – Mdm. Yong Nyet Yun Chairman of the Board – Tan Sri Datuk Ling Chiong Ho</p> <p>Having the positions of Chairman of the Board and Chairman of the Audit and Risk Management Committee held by different persons allows the Board to objectively review the Audit and Risk Management Committee's findings and recommendations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group recognises the importance of the independence of its External Auditors and no possible conflict of interest whatsoever should arise.</p> <p>The Term of Reference of the Audit and Risk Management Committee contains a clause that a cooling off period of at least three (3) years before a former audit partner is being appointed as a member of the Audit Committee.</p> <p>The Terms of Reference of the Audit and Risk Management Committee is available on the Company's website.</p> <p>Currently, none of the members of the Audit and Risk Management Committee is a former key audit partner of the Company within the stipulated cooling-off period.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of Audited Financial Statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Management Committee ("ARMC") is responsible for reviewing, assessing and monitoring the performances, suitability and independence of the External Auditors in accordance with a framework/policy which was approved by the Board. The Policy is in line with Practice 9.3 of the Code of Corporate Governance.</p> <p>The assessment will be conducted annually to assess the performance of the External Auditors prior to making a recommendation to the shareholders for re-election.</p> <p>The external auditors are also required to provide confirmation to the Audit and Risk Management Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The policies governing the circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors have been approved by the Board.</p> <p>In 2025, the ARMC has assessed the performance and independence of the External Auditors, Messrs. Crowe Malaysia PLT ("Crowe"), and is satisfied with the quality of the services rendered and the competency and sufficiency of resources provided for the Company. In view thereof, the ARMC has recommended for Crowe to be retained as the Company's External Auditors for Financial Period Ended 31 December 2025. A resolution on the re-appointment of Crowe as the Company's Auditors will be tabled at the forthcoming 21st Annual General Meeting to be held on 10 June 2026.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Director.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	All members of the Audit and Risk Management Committee possess the necessary skills and knowledge to discharge their duties in accordance with the Terms of Reference of the Audit and Risk Management Committee. The Chairman and members of the Audit and Risk Management Committee are financially literate and they are able to understand matters under the purview of the Audit and Risk Management Committee including the financial reporting process. All members of Audit and Risk Management Committee undergo training and professional development to keep themselves abreast of relevant development.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of sound internal controls and risk management in safeguarding the assets of the Group.</p> <p>The Board reviews the effectiveness, adequacy, integrity of the risk management framework and internal control system of the Group to ensure that significant risks faced by the Group are being managed appropriately to respond to the changes in the business environments.</p> <p>The Board reviews the effectiveness of the risk management and internal control system through the following monitoring and assessment mechanisms:</p> <ul style="list-style-type: none">• Quarterly reviews on the Group's actual financial and operational performance versus planned performance and other key financial and operational performance indicators;• Reviews of specific transactions and projects or opportunities are also discussed between the Management and the Board as and when required. This allows the Board and the Management to manage potential risks;• The Audit and Risk Management Committee deliberate and discusses reports issued by the Internal Audit and external auditors pertaining to financial, operational, governance, risk management and control matters. The status of preventive and corrective actions for issues discussed were also updated to the Audit and Risk Management Committee to enable monitoring of the actions. <p>The details of the Risk Management and Internal Control of the Group are disclosed in the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

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

Practice 10.2

The Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>A Statement on the Risk Management and Internal Control of the Group is disclosed in the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p> <p>For the Financial Period ended 31 December 2025, the Board is of the opinion that the risk management and internal control is adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Group.</p> <p>There was no major internal control weakness identified during the period under review that may result in any material loss or uncertainty to the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 10.3 - Step Up

The Board establishes a Risk Management Committee, which comprises a majority of independent Director, to oversee the company’s risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The current function of the Audit and Risk Management Committee assists the Board in carrying out, among others, the responsibility of overseeing the risk management activities and approving appropriate risk management procedures and measurement methodologies for the Group.</p> <p>The Audit and Risk Management Committee comprise of a majority of independent Director, i.e. 4 out of 5 members are Independent Non-Executive Director.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets.</p> <p>Internal Audit Department ("IAD") reports directly to the Audit and Risk Management Committee ("ARMC"). The functions of the IAD are to ensure a regular review of the adequacy and integrity of its internal control system. The IAD is also required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach.</p> <p>The IAD provides independent assessment on the effectiveness and efficiency of internal controls utilizing a global audit methodology and tool to support the corporate governance framework and to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach framework to provide assurance to the ARMC.</p> <p>The IAD reviews compliance with policies and procedures and advises executive and operational management areas for improvement and subsequently reviews the extent to which its recommendations have been implemented. The IAD also conducts a follow up review on the implementation status of action plans agreed by management.</p> <p>The ARMC approves the internal audit plan during the first ARMC meeting each year. Any subsequent changes to the internal audit plan are approved by the ARMC. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.</p> <p>The scope of work covered by the IAD during the financial period under review is provided in the Statement on Risk Management and Internal Control of the Company's Annual Report for the Financial Period from 1 July 2025 to 31 December 2025.</p> <p>The ARMC and the Board are satisfied with the performance of the IAD and agree that the internal audit review was done in accordance with the audit plan and the coverage is adequate.</p>
Explanation for departure	:	

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

Measure :		
Timeframe :		

Intended Outcome

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

Practice 11.2

The Board should disclose –

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is outsourced to Shin Yang Corporate Services Sdn. Bhd. (“SYCS”), an affiliated company within Shin Yang Holding Sendirian Berhad, to ensure an independent and objective review of the Group’s operations and internal control systems.</p> <p>The internal audit personnel assigned by SYCS are independent and free from any relationships or conflicts of interest with Shin Yang Group Berhad and its subsidiaries that could impair their objectivity and independence.</p> <p>The Internal Audit Department (“IAD”) comprises 11 personnel (FYE JUNE 2025: 11), led by Mr. Bryan Chen, who is assisted by two Internal Audit Managers, each responsible for leading a respective audit team. Mr. Bryan Chen possesses relevant academic and professional qualifications, with extensive experience in internal auditing and corporate risk management across various industries.</p> <p>The internal audit activities are conducted in accordance with the approved annual Internal Audit Plan, which is designed to cover all major operational areas within the Group. All internal audit reports and recommendations are submitted directly to the Audit and Risk Management Committee (“ARMC”) for review and deliberation, thereby preserving the independence and effectiveness of the internal audit function.</p> <p>The IAD adopts a risk-based audit approach, formulating its audit plan based on the risk assessment and profiles of the Group’s business units. Periodic reports on audit activities, key findings, and follow-up actions are presented to the ARMC to ensure that appropriate corrective measures are implemented.</p> <p>The internal audit function is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (IIA).</p>

	The fees incurred for the outsourced internal audit services provided by SYCS are considered as a Recurrent Related Party Transaction (“RRPT”) and are included in the Shareholders’ Mandate for approval at the Annual General Meeting.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.1

The Board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group acknowledges the importance of regular and effective communication with shareholders and investors. The Group engages all its stakeholders through various platforms including announcements made through Bursa Securities and engagement through the investor relations function.</p> <p>The Group has also established a website www.shinyanggroup.com.my from which investors and shareholders can access information relating to the Group, its businesses and periodic performance reports and annual report. The website is updated periodically to reflect key changes to the Group.</p> <p>Annual General Meeting ("AGM") also provides an effective means of communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 12.2

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board acknowledges that an integrated reporting will improve the quality of information available to investors, and promote greater transparency. However, a special team comprising various operating and functional units with specialised training is required for preparation of such integrated reporting, which potentially increases the complexity and resource requirements of implementation.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company's current reporting remains compliant with the requirements of the applicable accounting standards; Companies Act 2016 and Bursa Malaysia Listing Requirements. The Board will consider adoption of the integrated reporting at an appropriate time in future based on globally well received framework.
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.1

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company serves the Notice of Annual General Meeting (“AGM”) to the shareholders of the Company at least 28 days prior to the meeting providing ample notice to the shareholders.</p> <p>The Notice is also advertised in national newspapers, on Bursa’s announcement page and made available on the Company’s website.</p> <p>The Notice of AGM provides detailed explanation for resolutions proposed that are relevant, where required and necessary, to enable shareholders to make informed decisions regarding AGM’s business agenda of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All Directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>All Directors are committed to attend all General Meetings of the Company, which are scheduled in advance, save for unforeseeable circumstances.</p> <p>All Directors, the Chair of the Board Committees and Chief Executive Officer are aware of their respective scope of responsibilities and will respond to questions addressed to them at General Meetings.</p> <p>External auditors are also present to address queries pertaining to audited financial statements.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

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

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

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Based on the Company's previous general meetings, the Company does not have a large number of shareholders to warrant voting in absentia and/ or remote shareholders' participation at Annual General Meetings.</p> <p>All General Meetings of the Company are held in accessible location within Miri, Sarawak. Shareholders who are unable to attend general meetings of the Company may, in accordance with the Constitution of the Company, appoint their respective proxies or the Chairman of the meeting to vote on their behalf. This is done via the filing of the 'Form of Proxy' not less than 48 hours before the time appointed for the holding of the meeting. The Form can be found with the Notice of AGM and on the Company's website. An electronic polling agent and scrutineer respectively are engaged to count and validate the votes cast at the General Meeting. Detailed of electronic poll results are announced at the General Meeting and also uploaded on the Company's website.</p> <p>The Company will continually enhance the content of the Company's Annual Report to improve communication to its stakeholders.</p> <p>Meanwhile, the Company will monitor the development of technology and market practice.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the Board should ensure that general meetings support meaningful engagement between the Board, Senior Management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	All of the Director, Key Senior Management and External Auditors had attended the 20 th AGM to respond to questions posed by the shareholders and proxies. Sufficient time and opportunity was accorded for shareholders to pose questions during the 20 th AGM and the Chairman had invited shareholders and proxies to raise their questions on the Company's financial statements and any other items at the said AGM.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The Board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, Senior Management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice	: Based on the Company's previous general meetings, the Company does not have a large number of shareholders to warrant virtual general meeting and voting in absentia and/ or remote shareholders' participation at Annual General Meeting. All General Meetings of the Company are held in accessible location within Miri, Sarawak. Shareholders who are unable to attend general meetings of the Company may, in accordance with the Constitution of the Company, appoint their respective proxies or the Chairman of the meeting to vote on their behalf.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the the Company's general meeting was uploaded on the Company's website within 30 business day after the General Meeting
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

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

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

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