

**MEGA SUN CITY HOLDINGS BERHAD
(200401002347)(640850-U)**

BOARD CHARTER

1. Introduction

The Board of Directors (“the Board”) of Mega Sun City Holdings Berhad (“MSCH” or “the Company”) is committed to ensure sound principle of corporate governance are practiced with the ultimate objective of protecting and enhancing shareholders’ value. To this end, the Board continues to introduce various measures and implement the best practice in so far as they are relevant to the Group, bearing in mind the nature of the Group’s business and the size of its business operations.

2. Purpose

The Board Charter sets out the Board’s strategic intent and outlines the functions, duties and responsibilities of the Board as officers of the Company to ensure high standards of corporate governance and compliance with the various legislations and regulations.

3. The Board

3.1 Role and Responsible of the Board

- i. The Board is obligated to play an active role in directing management in an effective and responsible manner. The Directors, collectively and individually, has a legal and fiduciary duty to act in the best interest of the Company and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability.
- ii. Having regard to the above, the Board assumes the following major responsibilities in the discharge of its obligation:
 - a. Ensuring that the Company goals are clearly established and that strategies are in place for achieving them;
 - b. Ensuring that the strategic plan and operation of the Group support long-term value creation and include strategies on economic, environment, social and governance consideration underpinning sustainability
 - c. Establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
 - d. Ensuring that the Company’s sustainability strategies, priorities and targets as well as performance against the targets are communicated to its internal and external stakeholders;

- e. Together with Senior Management takes responsibility for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets, including among others the development and implementation of company strategies, business plans, major plans of action and risk management;
 - f. Monitoring the performance of Management;
 - g. Deciding on whatever steps that are necessary to protect the Company's financial position and the ability to meet its debts and other obligations as and when they fall due, and ensuring that such steps are taken;
 - h. Ensuring that the Company's financial statements are true and fair and conform with applicable laws.
 - i. Ensuring that all the directors are able to understand financial statements and form a view on the information presented;
 - j. Ensuring that the Company adheres to high standards of ethics and corporate behavior; and
 - k. Ensuring that the Company has appropriate risk management/regulatory compliances policies in place to ensure a sound framework for internal controls and risk management.
- iii. The Board reserves full decision-making powers on the following matters:
- a. Material acquisitions and disposition of assets not in the ordinary course of business;
 - b. Investments in capital projects;
 - c. Authority levels;
 - d. Treasury policies;
 - e. Risk Management policies;
 - f. Key human resource issues; and
 - g. Conflict of interest issues relating to a substantial shareholder or a director.
- iv. In compliance to the requirements of any Act, rules, regulations and guidelines that are in force from time to time, the directors have the obligation to notify the Company Secretary as necessary of their directorships, shareholdings and/or interest (direct or indirect) in the Company and update on changes arising thereto as soon as practical.

3.2 Responsibilities of Management

- i. In the normal course of events, day-to-day management of the Company will be in the hands of Management and under the stewardship of the Group Managing Director.
- ii. The Board has established written policy and procedures determining the authority limit for Management, specifically on procurement, capital expenditure and credit control.

3.3 Independent Directors

- i. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are independent Directors as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Directors must give effect to the spirit, intention and purpose of the definition.

- ii. The Independent Director must ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- iii. The tenure of the independent directors should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.
- iv. If the board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.
- v. Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent.
- vi. The Board undertakes to assess the independence of Independent Directors on an annual basis.

3.4 Code of Ethics and Conduct for Directors

- i. The Code of Ethics applies to all members of the Board of Directors serving from time to time. The principles outlined herein are intended to:
 - a. codify a standard of conduct by which all directors are expected to abide;
 - b. protect the business interests of the Company;
 - c. maintain the Company's reputation for integrity; and
 - d. foster compliance with applicable legal and regulatory obligation.
- ii. The Directors are required to observe the following at all times:
 - a. act honestly, in good faith and in the best interests of the Company as a whole.
 - b. use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
 - c. use the powers of office for a proper purpose, in the best interests of the Company as a whole.
 - d. recognize that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
 - e. must not make improper use of information acquired as a director.
 - f. must not take improper advantage of the position of director.
 - g. must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
 - h. must not give or receive gift of any value under circumstances that are unlawful or might otherwise appear to be an attempt to improperly influence a decision which affects the Company.
 - i. has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board.
 - j. confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be

- disclosed, unless that disclosure has been authorized by the Company, or is required by law.
- k. should not engage in conduct likely to bring discredit upon the Company.
 - l. has an obligation at all times to act ethically and to comply with the spirit of the Code and the Board Charter.
 - m. ensure that all suspected reports of unethical practices are investigated fully and thoroughly to ensure the Company operates in the manner expected of the Company by society.

3.5 Board Leadership

- i. There are two (2) key tasks in Board leadership, namely the running of the Board and the executive responsibility for the running of the Company's business. There should be a clear division of responsibilities in the Board to ensure balance of power and authority, such that no one individual has unfettered powers of decision-making.
- ii. The Company is led by the Group Executive Chairman. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board.
- iii. The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

3.6 Board Meeting

- i. The Board will normally hold meetings at least four (4) times in each financial year and will hold additional meetings when the situation requires.
- ii. Directors will use their best endeavour to attend the Board Meetings. Directors are expected to prepare themselves thoroughly and to participate fully and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board.
- iii. The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the Company Secretary will set the agenda.
- iv. Directors who are unable to attend the Board Meetings shall accordingly advise the Chairman and/or the Company Secretaries on the same at the earliest time possible.
- v. Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

- vi. The Board should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the board, including any dissenting views and if any director had abstained from voting or deliberating on a particular matter.
- vii. Directors are expected to strictly observe confidentiality of Company information.

3.7 Access to Information and Advice

- i. The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.
- ii. The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the Persons responsible will respond as fully and promptly as possible.
- iii. The full agenda and comprehensive Board papers are disseminated to all Directors in advance of meeting to enable them to prepare for the meetings.
- iv. Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.
- v. The Board meeting papers provided to the Directors include progress reports on business operations, financial results, information on business propositions, industry outlook, operational and regulatory compliance matters, corporate proposals besides minutes of meeting of Board Committees and Management. For corporate proposals deemed material and price-sensitive, supporting papers would be circulated to the Directors during the Board meeting.
- vi. At Board meetings, the Management presents and provides explanation on the reports provided. Senior Management and Consultants may be invited to attend the Board meeting to advise or give detailed explanation and clarification on relevant agenda items to enable the Board to make informed decisions. Any Director who has a direct and/or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same.
- vii. Directors are entitled to have access, at all reasonable times, to all relevant Company information and to Management and have at least two (2) private sessions in a year with the external auditors.
- viii. The Directors, whether as full Board or individual capacity, may seek independent professional advice in furtherance of their duties. If such advice is considered necessary, it shall be first discussed with the Chairman and having done so, shall be free to proceed. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the

Company but the Directors will ensure, so far as is practicable, that the cost is reasonable.

- ix. The Directors have unlimited access to the professional advice and services of the Company Secretary.

3.8 Board Committees

- i. Board Committees will be formed only when it is necessary to facilitate efficient decision making.
- ii. Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.
- iii. The Board of the Company has appointed the following Board Committees with specific terms of reference :
 - a. Audit Committee
 - b. Nominating Committee
 - c. Remuneration Committee
- iv. Independent and Non-Executive Directors of the Company play a leading role in these Committees. The Management is co-opted to the Committees as and when required.
- v. The Board Committees consider particular issues and recommend proposed actions to the Board. The Chairman of the respective Committees will report on the decision and/or recommendations made by the Committee to the Board. The Minutes of all Board Committees are made available to the Board.

3.9 Board Appointment and Re-election

- i. The appointment of new Directors is a matter for consideration and decision by the Board upon recommendation from the Nominating Committee.
- ii. New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance or its duties and to give sufficient time and attention to the affairs of the Company.
- iii. The Board is mindful of various diversity factors to strengthen the Board composition that meets the objectives and strategic goals of the Company. The evaluation of the suitability of candidates as the new Board member is based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company, regardless of gender, age and ethnicity. The Board has never practiced nor allowed gender biasness as they believe that the ability and capability of an individual should be the priority to place in appointing a director.
- iv. The Board shall disclose in its annual report the Company's policies on gender diversity for board and senior management, its targets and measures to meet those targets while ensuring the Board comprises at least one woman directors and to review the participation of women in senior management to ensure there is healthy talent pipeline.

- v. The Board designates the Chair of the Nominating Committee as the Senior Independent Director of the Company.
- vi. The Nomination Committee reviews the suitability, competency and contribution of Director for re-election before recommending to the Board for submission to shareholders for approval at the company's Annual General Meeting ("AGM").
- vii. The Articles of Association of the company provide that at least one-third of the Directors are subject to retirement by rotation at each AGM and that all Directors shall retire once in every three (3) years but shall be eligible for re-election.
- viii. Newly appointed Directors shall hold office until the next following AGM and shall then be eligible for re-election by shareholders.

3.10 Board Commitment

- i. Any Director of the Company, while holding office, is at liberty to accept other Board appointment so long as the appointment is not in conflict with the business and does not affect his performance as a director. This must be subsequently notified to the Chairman.
- ii. The Directors are guided by the requirements of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on attendance of at least 50% of Board Meetings held in a financial year and that directorships held by any Board member at any one time shall not exceed five (5) in listed Companies.

3.11 Board Training and Development

- i. In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Director are encouraged to attend various training programmes and to participate in site visits at business locations to constantly update their knowledge as well as enhance their skills. This will enable Directors to effectively discharge their duties and keep abreast with industrial sector issues, developments in the industry and global market, management strategies and regulatory laws, rules as well as guidelines and which are relevant to the Company's operations and business.
- ii. The training needs of the Directors will be reviewed by the Nominating Committee on a regular basis to ensure that they are acquainted with the latest development and changing environment within which the Company operates.

3.12 Board Evaluation

- i. The performance of the Directors as a whole and individually are assessed by the Nominating Committee on a yearly basis with due consideration to the competency, commitment, contribution and performance.

3.13 Directors' Remuneration

- i. The Company aims to set a fair remuneration and other emoluments to attract, retain and motivate directors and ensure that rewards

commensurate with their contributions and in tandem with the performance of the Company.

- ii. The Remuneration Committee is responsible to annually:
 - a. review the achievement of the Executive Directors and recommend the framework of their remuneration package to the Board for their approval, with the Executive Directors abstaining from deliberation and voting on the same;
 - b. recommend the basic annual fees of the Directors; and
 - c. recommend meeting allowance paid to Directors for attendance at meetings and based on their responsibilities in Board Committees.
- iii. The ultimate approval for the above lies with the Board and the relevant Directors are to abstain from deliberation and voting on their remuneration.

4 Company Secretary

- i. The Board appoints the Company Secretary and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- ii. The appointment and removal of Company Secretary is a matter for the Board as a whole.
- iii. The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- iv. Ensure that deliberations at the meetings are well captured and minuted, and subsequently communicated to the relevant Management personnel for necessary actions
- v. The Board recognises the fact that the Company Secretaries of the Company are suitably qualified and competent in carrying out the duties required.

5. Corporate Disclosure Policy And Procedures

- i. The Board aims to provide shareholders with comprehensive, accurate and quality information on a timely and even basis as it is in the Company's interest for maintenance of confidence.
- ii. While the Board is generally responsible for the proper dissemination of information, it designates the Group Executive Chairman to oversee and coordinate on ensuring compliance with the disclosure obligation under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- iii. The Group Executive Chairman shall also be the official spokespersons authorized to speak on behalf of the Company to journalists, analysts, fund managers, institutional investors or other persons outside the Company.

6. Investor Relations And Shareholder Communication

- i. The Board acknowledges the need for effective investor relation and communication with shareholders and to provide them with all relevant information affecting the Company, and as such adopts an open transparent policy and the Board shall also endeavour to ensure timely release of information to shareholders.
- ii. Establish a channel where shareholders can continue to share feedback and questions outside of the general meeting and receive the appropriate response.
- iii. Circulate minutes of annual general meetings to shareholders no later than 30 business days after the conclusion of the general meeting.

7. Whistle Blowing Policy

The Group believes in adopting high standards of integrity, honesty and accountability in the conduct of its businesses and operations. The Group aspires to conduct its business affairs in the most ethical, responsible and transparent manner possible.

The Group encourages all employees and the public to disclose any improper conduct in accordance with procedures provided under the Whistle Blowing policy.

7.1 Objective

The objective of this policy is to position Mega Sun City Holdings Berhad and all its subsidiaries (hereinafter referred to as “the Mega Group”) in providing an avenue for its employees and/or stakeholders to raise concerns in confidence, disclose any fraud, corruption/bribery/blackmail, theft or embezzlement, misuse of Company’s property abuse of power, criminal offences, failure to comply with legal or regulatory obligation, miscarriage of justice or endangerment of an individual’s health and safety of which they become aware, and to ensure that the employee and/or stakeholder who reports allegations of such concerns will be protected from possible reprisals or retaliations if he/she has a reasonable belief that the disclosure was made in good faith.

7.2 Scope of Policy

This policy is designed to facilitate employees and stakeholders a specific means to disclose or report through established channels, concerns on any improper conduct (misconduct or criminal offence).

The above list is not exhaustive and includes any act or omissions, which, if proven, will constitute an act of misconduct under the Company’s Codes of Conduct and Business Ethics or any criminal offence under relevant legislations in force.

Only genuine concerns should be reported under the Whistle Blowing procedures. This report should be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and report is not made for personal gain, malicious and false allegations by the whistle blower will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal or termination of the whistle blower who abuses this policy.

7.3 Policy Statement

It is the policy of the Mega Group:

- i. That the Mega Group is committed to achieving and maintaining high standards with regards to behaviour at work;
- ii. That all Mega Group employees and stakeholders are encouraged to report promptly genuine concerns about any grievances within the scope of the Whistle Blowing policy without fear of reprisal should they act in good faith when reporting such concern. Any anonymous disclosure will not be entertained. Any employee or member of the public who wishes to report improper conduct is required to disclose his identity to the Company in order for the Company to accord the necessary protection to him. However, the Company reserves its right to investigate into any anonymous disclosure;
- iii. That Mega Group views any harassments or retaliations in any forms or manner against genuine whistle blowers seriously and will treat such actions as gross misconduct, which if proven, may lead to dismissal or termination of the person/ parties harassing or retaliating in any form or manner against genuine whistle blower; and
- iv. That Mega Group assures individual employee and stakeholder who raises issues of concern that he/she will be protected from any adverse impact on their employment or relationship with the Mega Group as a result of his/her reporting, provided the report is made in good faith and without malice.

7.4 Procedures

- i. In the case of Mega Group employees, any concern should be raised with his/ her immediate superior, and in the Mega Group stakeholders, any concern should be raised with the immediate superior of the employee concerned.
- ii. If for any reason, it is believed that this is not possible or appropriate, then the concern should be reported to Chairman of Mega Sun City Holdings Berhad, and/or Managing Director of Mega Sun City Holdings Berhad.
 - a. Channel of reporting to Chairman of Mega Sun City Holdings Berhad:

Name	:	Dato' Sri Liang Chee Fong
Telephone No.	:	013-3398 666
Mail	:	Mark "Strictly Confidential" D5-U6-3, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur Attention: Chairman of Board

b. Channel of reporting to the Managing Director of Mega Sun City Holdings Berhad

Name : Dato' Yow Mooi Sin
Telephone No. : 012-604 3616
Mail : Mark "Strictly Confidential"
D5-U6-3, Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur
Attention: Managing Director

iii. In the case where reporting to management is a concern, then the report should be made to the Chairman of Audit Committee. Channel of reporting to the Chairman of Audit Committee is:-

Name : Mr Tan Wooi Chuon
Telephone No. : 016-422 3293
Mail : Mark "Strictly Confidential"
D5-U6-3, Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur
Attention: Chairman of Audit Committee

7.5 Action

- i. All reports will be investigated promptly by the person receiving the report who should promptly report to the management, if appropriate. If required, he/she can obtain assistance from other resources within Mega Group. The progress of investigation will be reported to the Audit Committee no later than at the next scheduled meeting.
- ii. Reports received anonymously will be treated as confidential.
- iii. The person making anonymous report will be advised that maintaining anonymity may hinder an investigation. Notwithstanding this, anonymity will be maintained as long as it is permitted by law or the person making the report indicates that he no longer wishes to remain anonymous.
- iv. Upon completion of investigation, appropriate course of action will be recommended to the Audit Committee for their deliberation. Decision taken by the Audit Committee will be implemented immediately.
- v. Where possible, steps will be taken to prevent similar situation from arising again.
- vi. If for any reason, the person making the report is not satisfied with the way his/her report had been dealt with, he/she can escalate his/her report to the Audit Committee. Channel of reporting to the Audit Committee is:

Name : Mr Tan Wooi Chuon
Telephone No. : 016-422 3293
Mail : Mark "Strictly Confidential"
D5-U6-3, Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur
Attention: Chairman of Audit Committee

- vii. Chairman of the Audit Committee will deliberate the report with the Committee members and decide on the appropriate course of action.

8. Review Of Board Charter

This Board Charter to be made available on the website of the Company will be reviewed periodically to ensure they remain consistent with the Board's objectives and responsibilities as well as relevant standards of corporate governance.