

BOARD CHARTER

SENG FONG HOLDINGS BERHAD

Registration No.202101022910 (1423210-X)

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1. INTRODUCTION

- 1.1 The Board of Directors (“Board”) of Seng Fong Holdings Berhad (“Company”) commits itself to inculcating good corporate governance practices in the Company and its subsidiaries from time to time (“Group”) in accordance with the practices and guidance based on the Malaysian Code on Corporate Governance (“MCCG”). The Board believes that corporate governance is extremely important to the success of the Group’s business.
- 1.2 The Board shall be responsible for:
- a. setting the Group’s strategic aims to ensure that necessary resources are in place for the Group to meet its purposes and review its management’s performance and affairs of the Group;
 - b. setting and maintaining the Group’s values and standards; and
 - c. safeguarding that the Group’s commitments to its shareholders and other stakeholders are understood and met.
- 1.3 This Board Charter sets out:
- i. the core values, guidance and principles for Board and Management concerning what is expected from them on their roles and responsibilities of the Board and various Board committee (“Board Committees”) in discharging of the Board and the Board Committees for the benefit of the Company and its stakeholders; and
 - ii. the composition of the Board and the Board Committees, role and responsibilities of the Board and delegation of its responsibilities, general conduct of the Board, board leadership, assessment, and other related matters.
- 1.4 This Board Charter is subject to the provision of the Companies Act 2016 (“the Act”), Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”), the practices and guidance of the MCCG and any other applicable laws or regulatory requirements.

2. BOARD STRUCTURE

2.1 Board Composition

- 2.1.1 The Board must comprise a balance of Non-Executive Directors (including Independent Non-Executive Directors) and Executive Directors such that no individual or a group of individuals can dominate the Board’s decision making.

- 2.1.2 The Board must consist of qualified individuals with diverse set of skills, knowledge, expertise, experience, background, gender and perspective to safeguard that there is sufficient diversity and independence in facilitating the discussion, review and decision making in order to discharge their duties and responsibilities.
- 2.1.3 The Constitution of the Company states that unless otherwise determined by the Company in general meeting, the number of Directors must not be less than two (2) (excluding Alternate Director) nor more than eleven (11). At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members must be Independent Directors. The composition and size of the Board will be reviewed from time to time to ensure its effectiveness.
- 2.1.4 Pursuant to Paragraph 15.06 of the Listing Requirements, the Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities.
- 2.1.5 On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by MCCG. The Board through the Nominating Committee will continuously review the Board composition taking into consideration the appropriate competence, experience, character, integrity and time to effectively discharge his/her role as a Director.
- 2.1.6 The Board has set a target of 30% women Directors to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making, in line with Practice 5.9 of the MCCG.

2.2 Appointments

- 2.2.1 The appointment of a new Director is approved by the Board upon recommendation from the Nominating Committee.
- 2.2.2 The selection criteria for a new Director, the Nominating Committee shall consider the character, competence, experience, integrity and commitment of the candidates, including the following factors:-
- age and gender diversity;
 - skills, knowledge, expertise, and wide range of background;
 - professionalism;
 - commitment;
 - contribution and performance;
 - in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities as are expected from Independent Non-Executive Directors; and
 - in the case of candidates filling seats in respect of the Audit and Risk Committee in particular, to ensure the candidate is financially literate

and possesses a wide range of necessary skills to discharge his/her duties.

2.2.3 Pursuant to Paragraph 15.03 of the Listing Requirements, a newly appointed Director shall provide to Bursa Securities an undertaking in the form as may be prescribed by Bursa Securities immediately after the said Director's appointment or in any event not later than fourteen (14) days after the appointment.

2.2.4 New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.

2.3 Tenure of Directors

2.3.1 Pursuant to the Constitution of the Company, at the Annual General Meeting ("AGM"), one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

2.3.2 The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.

2.3.3 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) 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 (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with MCCG.

2.3.4 Pursuant to Paragraph 15.05 of the Listing Requirements, a candidate shall not be considered fit for directorship if he or she:-

- (a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
- (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or

- (c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

2.3.5 The office of a Director shall become vacant if the Director:-

- (a) falls within the circumstances set out in Section 208 of the Act, where the Director:-
 - (i) resigns from office as Director by giving a written notice to the Company at its registered office;
 - (ii) retires in accordance with the Act or the Constitution of the Company but is not re-elected;
 - (iii) is removed from office in accordance with the Act or the Constitution of the Company;
 - (iv) becomes disqualified from being a Director under Section 198 or 199 of the Act;
 - (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (vi) dies; or
 - (vii) otherwise vacates office in accordance with the Constitution of the Company;
- (b) is absent from more than 50% of the total Board meetings held during a financial year; or
- (c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences listed in 2.3.4 above.

2.4 Board Independence

2.4.1 Paragraph 1.01 of the Listing Requirements defines an Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

Without limiting the generality of the foregoing, an Independent Director is one who:-

- (a) is not an Executive Director of the Company or any related corporation of the Company (each corporation is referred to as “said Corporation”);

- (b) is not, and has not been within three (3) years, an officer (except as an Independent Director) of the said Corporation. For this purpose, “officer” has the meaning given Section 2 of the Act;
- (c) is not a major shareholder of the said Corporation;
- (d) is not a family member of any Executive Director, officer or major shareholder of the said Corporation;
- (e) is not acting as a nominee or representative of any Executive Director or major shareholder of the said Corporation;
- (f) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities; or
- (g) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.

2.4.2 The roles of the Independent Non-Executive Directors are vital in bringing independent judgement and ensuring all issues proposed by the Executive Directors are fully discussed and examined to consider the long-term interests, not only of the shareholders, but also other stakeholders such as the employees and business associates.

2.4.3 The roles of the Senior Independent Non-Executive Director include the following:

- (a) serves as a sounding board to the Chairman;
- (b) leads the performance evaluation of the Chairman;
- (c) serves as an intermediary for other Directors when necessary;
- (d) encourages objectivity in instances whereby the Chairman and Managing Director/Chief Executive Officer are related;
- (e) acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or Managing Director/Chief Executive Officer;

- (f) ensures all Independent Non-Executive Directors have the opportunity to provide input on agenda, and advise the Chairman on quality, quantity and appropriateness of the information submitted by the management that is necessary for the Independent Non-Executive Director to perform their duties effectively;
- (g) chair meetings of the Board, in the absence of the Chairman;
- (h) leads the succession planning and appointment of Board members, and oversee the development of a diverse pipeline for the Board and management succession, including the future Chairman and Managing Director/Chief Executive Officer; and
- (i) leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically.

3. ROLES AND RESPONSIBILITIES

3.1 The Board

3.1.1 The Board has the overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders. The Board must act with integrity, lead by example, keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Company. In discharging its fiduciary duties and responsibilities, the Board adopted the following corporate governance guidelines:-

- (a) together with senior management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- (b) reviewing and setting a strategic plan for the Group to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (c) reviewing, challenging and deciding on management's proposals for the Group, and monitoring its implementation by management;
- (d) overseeing the conduct of the Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of the Group;
- (e) identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a

proper balance between risks incurred and potential returns to the shareholders;

- (f) reviewing the information and risk management and internal control system and the effectiveness of the management;
- (g) ensuring there is an orderly succession of senior management positions who are of high talent and have the necessary skills and experience. The Board delegates to the Nominating Committee and Remuneration Committee to review succession plans and remuneration packages for the Directors respectively. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- (h) developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;
- (i) reviewing and approving financial statements;
- (j) reviewing and approving the Audit Committee, Risk Management Committee, Nominating Committee and Remuneration Committee reports at the end of each financial year;
- (k) reviewing and approving the Company's annual report;
- (l) ensuring the integrity of the Company's financial and non-financial reporting;
- (m) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director;
- (n) ensure a collaborative and constructive relationship between the Board and Senior Management; and
- (o) ensure that the Group adheres to high standards of ethics and corporate behaviour.

3.1.3 The Board need to assure that the subsidiaries of the Company and their directors adhere to the following:-

- (a) The subsidiaries and their directors must provide the Company with any information requested by the Company to enable the Board to oversee the performance of the said subsidiaries effectively, including assessing non-financial performance of the Group;

- (b) The subsidiaries and their directors must cause to be kept the accounting and other records to:-
 - (i) sufficiently explain its business, transactions and financial position;
 - (ii) enable the preparation of true and fair financial statements; and
 - (iii) enable the accounting and other records to be conveniently and properly audited.
- (c) The subsidiaries and their directors must provide the Company with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standard;

The information and records required under 3.1.3 (b) and (c) shall be kept for not less than seven (7) years from the completion of transactions or operations to which the entries or records relate.

3.1.3 The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters:-

- (a) Strategic issues and planning, including sustainability;
- (b) Budget and performance reviews;
- (c) Quarterly financial results and audited financial statements;
- (d) Key human resources issues;
- (e) Capital expenditures;
- (f) Material borrowings;
- (g) Treasury policies;
- (h) Dividend policy or declaration of dividends;
- (i) Material acquisitions and disposals of undertakings and properties;
- (j) Changes to the management and control structure within the Group, including key policies, procedures and delegated authority limits of the Group;
- (k) Proposed appointment of external auditors and their audit fees; and
- (l) Venture in new business.

3.2 Chairman

- 3.2.1 The Chairman plays a vital role in the Company in creating the conditions for a high performing Board.
- 3.2.2 The Chairman is elected by the Board members to provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairman will act independently in the best interest of the Group.
- 3.2.3 The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, morality and corporate governance throughout the Group.
- 3.2.4 The responsibilities of Chairman are, amongst others, as follows:-
- (a) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
 - (b) reviewing the minutes of meetings of the Board before the next meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
 - (c) leading the Board in establishing and monitoring good corporate governance practices in the Group;
 - (d) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members;
 - (e) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
 - (f) promoting constructive and respectful relations between Directors and senior management;
 - (g) ensuring compliance with all relevant regulations and legislation; and
 - (h) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
- 3.2.5 The positions of Chairman and Managing Director/Chief Executive Officer are held by different individuals.
- 3.2.6 The Chairman should ensure that Board Committee meetings are not combined with the main Board meeting.

3.2.7 The Chairman should not be a member of Audit and Risk Management Committee, Nominating Committee and Remuneration Committee

3.3 Managing Director/Chief Executive Officer

3.3.1 Managing Director/Chief Executive Officer is the highest-ranking executive in the Company. The Managing Director/Chief Executive Officer primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, acting as the main point of communication between the Board and corporate operations and being the public face of the Group.

3.3.2 The Managing Director/Chief Executive Officer is appointed by the Board upon recommendation of the Nominating Committee.

3.3.3 Generally, the Managing Director/Chief Executive Officer is accountable to the Board for, among others, the following:-

- (a) overseeing the day-to-day business operations of the Group;
- (b) ensuring that the applicable rules and regulations for the conduct of 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;
- (c) representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners;
- (d) leading the development of the Group's operations and businesses and recommending short and long-term strategies to the Board;
- (e) managing resources within budgets approved by the Board;
- (f) developing an organisational structure and to establish process and system to ensure the efficient utilisation of resources;
- (g) assessing all business opportunities which are potentially benefit to the Group;
- (h) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;
- (i) ensuring that the Group maintains high social responsibility wherever it does business;
- (j) creating and implementing the Company's vision and mission; and

- (k) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

3.4 Executive and Non-Executive Directors

- 3.4.1 Executive Directors are, as employees of the Company who involved in the day-to-day management of the Group.
- 3.4.2 Executive Directors assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry.
- 3.4.3 Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and Director training and development.
- 3.4.4 Non-Executive Directors is a member of the Board who is not an employee of the Company. Non-Executive Directors can be categorised as:-
 - those who have no direct or indirect monetary interest in the Company other than their Directors' emoluments and their permitted shareholdings in the Company;
 - those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have a monetary interest in the Company, whether direct or indirect; or
 - those who are not employees of the Company but are standing as nominees for substantial shareholders.
- 3.4.5 Non-Executive Directors should question intelligently, debate constructively, challenge rigorously and decide dispassionately.
- 3.4.6 Non-Executive Directors need to be sound in judgement and to have an inquiring mind.
- 3.4.7 Non-Executive Directors may act as a bridge between management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.
- 3.4.8 The responsibilities of Non-Executive Directors are, amongst others, as follows:-
 - (a) advising and directing management in the development and evaluation of strategy;

- (b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- (c) satisfying themselves that the financial information presented is accurate; and
- (d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

4. **BOARD COMMITTEES**

The Board has the right to establish Board Committees from time to time and delegate certain functions to the Board Committees to assist in carrying out its duties and responsibilities. The following are the relevant Board Committees formed by the Board:

- (a) Audit and Risk Management Committee ;
- (b) Nominating Committee; and
- (c) Remuneration Committee.

Specified terms of reference of the Board Committee shall established in writing to cover matters such as the purpose, composition and functions of the Board Committee.

These Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine particulars issues within its terms of reference and make the necessary recommendations to the Board for its consideration and decision making.

The duties and powers delegated to these Board Committees are set out in the Terms of Reference of each Board Committee as approved by the Board and available on the Company's website at sengfongholdings.com.

5. **BOARD MEETINGS**

5.1 Frequency

The Board shall conduct at least four (4) times on a quarterly basis in each financial year with additional meetings to be convened if necessary. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meetings for the year.

5.2 Notice and Agenda

The notice of Board Meeting, detail agenda and the supporting Board Papers should be given five (5) business days, or shorter notice where it is unavoidable, prior to each Board Meeting allowing Directors sufficient time to review the same. Directors are expected to review in advance Board Papers to facilitate meaningful deliberation during each meeting.

The agenda shall include, amongst other things, matters specifically reserves for the Board's decision.

The agenda shall address high-priority strategic and operational issues, where required, and the Chairman shall ensure that there is sufficient time for discussion.

5.3 Quorum

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum necessary for the transaction of the business of Directors shall be two (2).

5.4 Chairman's role in meeting

In the absence of the Chairman, the members present shall elect a Chairman from amongst themselves to chair the meeting. The Chairman encourages constructive and healthy debate and allows the Directors to freely express their views or share information with their peers during deliberation as a participation Board.

5.5 Attendance

The Board must disclose the number of Board meetings held in a year and details of attendance of each individual Director in respect of meetings held.

All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Senior management who are not Directors may be invited to attend and speak at Board meetings on certain matters relating to their areas of responsibility. The Board may also invite external parties such as auditors, solicitors and consultants to attend as and when the need arises.

5.6 Meeting Mode

The Directors may participate at a Board Meeting or any Board Committee meeting by conference telephone, video, electronic or such other communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The physical presence of Director(s) is not compulsory and participation at such Board Meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such Board Meeting shall be counted in the quorum for such meeting.

All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at or during the Board Meeting. The participation in a meeting by means of a conference telephone or similar electronic telecommunication device shall be treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

Directors are expected to strictly observe confidentiality of Company information from any third party.

5.7 Directors' Written Resolution

In the event matters requiring the Board's decision arise between Board Meetings, such matters shall be resolved through written resolutions which shall be supported by relevant papers setting out details of the subject matter. Such written resolutions signed or approved by a majority of the Directors entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. Such resolutions may consist of several documents in like form, each signed by one or more Board members.

5.8 Voting

All resolutions of the Board shall be adopted by a simple majority vote, each member having one vote. In the case of equality of votes, where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes the Chairman shall have a second or casting vote.

Directors are required to inform the Board of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and voting on those matters.

5.9 Minutes

The minutes shall record the proceedings of the meeting, important issues, inquiries or responses, members' suggestions and the decisions made, including any dissenting views and if any director had abstained from voting or deliberating on a particular matter. Minutes of meeting shall be circulated to all members of the Board in a timely manner.

6. **REMUNERATION OF DIRECTOR**

The Board acknowledges the importance of motivating and retaining qualified members of the Board is indispensable for driving the Company forward in the realisation of its business objectives and strategic goals.

The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company.

The fees and any benefits payable to the Directors shall be subject to annual shareholder approval at a general meeting.

The Directors shall be paid all traveling, hotel and other reasonable expenses, properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with attending and returning from meetings of Directors or Board Committees or any other meetings of the Company in connection with the business of the Company in the course of the performance of their duties as Directors.

The Company shall provide a fair, reasonable, and competitive remuneration for its Executive Directors to ensure that the Company attracts and retains high calibre Executive Directors who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.

The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the RC is responsible for reviewing the remuneration policies and procedures and making recommendations on the same to the Board for approval. In its review, the RC will consider various factors including fiduciary duties, time commitment expected of them and the Group's performance.

7. INDUCTION AND TRAINING FOR BOARD MEMBERS

The objective of the induction and training programme is to provide Directors with a prompt and clear insight into the Group as well as keeping them well-informed with developments in the marketplace in relation to their responsibilities as Directors.

Newly appointed Directors are required to complete the Mandatory Accreditation Programme required under the Listing Requirements.

All Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable Directors to effectively discharge their duties and sustain active participation in Board deliberations.

The costs of the induction training programme, Mandatory Accreditation Programme and continuing education programmes shall be borne by the Company.

The Board with the assistance of the Nominating Committee, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as continuing education programme to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

8. GENERAL MEETINGS

8.1 Annual General Meeting

8.1.1 An Annual General Meeting ("AGM") is a yearly gathering between the shareholders of the Company and its Board. The Directors must ensure that AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

- 8.1.2 The Chairman must encourage active participation by the shareholders during the AGM.
- 8.1.3 The Chairman and, where appropriate, the Managing Director and/or Management shall respond meaningful to shareholders' queries during AGM. If time does not permit during the AGM, the Board should leverage on communication technology to continue communicate with the shareholders outside of the AGM.
- 8.1.4 The Company shall in each year hold an AGM within six (6) months of the Company's financial year end and not more than fifteen (15) months shall elapse between the date of one AGM and that of the next.
- 8.1.3 The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-eight (28) days before the meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-eight (28) days' notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.
- 8.1.4 No business shall be transacted at any General meeting ("GM") unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

8.2 General Meeting ("GM")

- 8.2.1 The Company may also convene a GM other than AGM to transact other businesses.
- 8.2.2 The Directors may whenever they think fit, convene a GM. GMs shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company makes default in convening a GM in compliance with a requisition received pursuant to Section 311 of the Act, a GM may be convened by such requisitions in the manner provided in Section 313 of the Act. Any GM convened by requisitions shall be convened in the same manner, as nearly as possible, as that in which GMs are to be convened by the Directors.
- 8.2.3 Subject always to the provisions of Section 323 of the Act, no business shall be transacted at a GM except business of which notice has been given in the notice convening the GM.

- 8.2.4 The notices convening a GM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.
- 8.2.5 No business shall be transacted at any GM unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.

9. **ACCESS TO INFORMATION**

All Directors shall have unrestricted access to the management to any information pertaining to the Group, including access to the advice and services of the Company's auditors and consultants, Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

10. **INDEPENDENT PROFESSIONAL ADVICE**

In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary for the Directors to discharge their duties for the overall benefit of the Company.

In such circumstances, the Director shall first discuss it with the Chairman and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such a restriction is not applicable to the Executive Director who is acting in his or her capacity of the furtherance of his/her executive responsibilities and within his/her delegate powers.

11. **CONFIDENTIALITY AND DISCLOSURES OF INTEREST**

The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the Managing Director/ Chief Executive Officer.

A Director should disclose to the Board:-

- (a) any material personal interest they have in a matter which relates to the affairs of the Company; and
- (b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Director becomes aware of their interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

12. **DEALINGS IN SECURITIES**

A Director must not deal in the Company's securities when he is in possession of price sensitive information. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.

13. **WHISTLEBLOWING POLICY**

The Board is committed to the highest standards of professionalism, honesty, accountability, integrity and ethical behaviour in the conduct of its business and operation for the Group. The Board is aspired to conduct the Group's affair in an ethical, responsible, and transparent manner. To achieve this purpose, the Board has established a Whistleblowing Policy.

The Whistleblowing Policy has formulated to enable employees within the Group, vendors and members of the public to report instances of unethical behaviour, improper conduct, actual or suspected fraud and/or abuse within the Group.

The implementation of the Policy is in line with the Whistleblower Protection Act 2010, Malaysian Anti-Corruption Commission Act 2009 and all other applicable laws and regulations in force in Malaysia.

The Whistleblowing Policy is made available for reference on the Company's website at sengfongholdings.com.

14. **ANTI-BRIBERY AND CORRUPTION POLICY**

The Group is committed to doing business in a fair, open, honest, and transparent manner. Integrity is the core value and the guiding principle of the Group in every decision making process, and actions taken in the workplace. The Group practices high ethical standards in everything that being done.

The Group strongly opposes any acts of fraud, bribery and corruption that compromises business ethics and damages an organisation's reputation.

The Anti-Bribery and Corruption Policy (“the ABC Policy”) describes the Group’s stance on areas relevant to fraud, bribery and corruption and provides a guidance on how the Group’s personnel are expected to conduct themselves in encountering potential acts of fraud, bribery, and corruption. The ABC Policy also applies to any third party who performs services on behalf of the Group.

The objectives of this policy are as follows:-

- (a) To protect the Group against any possible penalties and/or repercussions resulting from any acts of bribery and/or corruption and/or being associated with such behaviour;
- (b) Fulfilling the legal and regulatory requirements and sets out the Group’s overall position on bribery and corruption in all forms, including but not limiting to dealing with third parties, managing conflicts of interest, gifts, hospitality, entertainment, donations, sponsorships, recruitment, promotion and/or whistleblowing;
- (c) Ensure the Group has adequate procedures in place to prevent and detect any acts of bribery and/or corruption;
- (d) To provide guidance for the Group’s personnel and business associates and assist them to identify and deal with bribery and corruption issues, as well as understanding their roles and responsibilities;
- (e) Set out the Group’s responsibilities and the responsibilities of those working for and /or with the Group in observing and upholding the Group’s position on bribery and/or corruption.

The Anti-Bribery and Corruption Policy is made available for reference in the Company’s website at [sengfongholdings](#).

15. **CODE OF CONDUCT**

The Board has in place a Code of Conduct which is articulated to improve the ethical standards. All the employees are expected to always behave ethically and professionally and thereby protect and promote the reputation and performance of the Group.

The purpose of the Policy is to set forth to maintaining a working environment free from all forms of discrimination. The Policy addresses recruitment, admissions, hiring, training, discipline, promotion, demotion, transfer, layoff or termination, rates of pay or other forms of compensation and any other employment or education conditions.

The Board is cognizant of both its moral and legal obligations to ensure that all employees are provided equitable opportunities to realise their goals and purpose within the Group.

The Group communicates its Code of Conduct to all employees upon their employment.

The Code of Conduct Policy is made available for reference on the Company's website at sengfongholdings.

16. **INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION**

The Board acknowledges and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public.

The Board is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are adopted. To achieve this, the Company has implemented amongst others, the following:-

- (a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;
- (b) conducts regular dialogues with financial analysts as a means of effective communication, which enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- (c) conducts press conference after the AGM/GM to provide the media an opportunity to receive updates from the Board on the proceedings at the meetings and to address any queries from the media;
- (d) allows shareholders to engage in interactive and robust discussion on the company's financial and non-financial performance as well as the company's long-term strategies during AGM. The Company shall also invite the external auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditor's report;
- (e) publishes minutes of AGM together with issues or concerns raised by shareholders and responses by the Company no later than 30 business days after the completion of the meeting, on the Company's website; and
- (f) allows shareholders to gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website at sengfongholdings.

17. **COMPANY SECRETARY**

The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act.

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

The responsibilities of the Company Secretary are, amongst others, the following:-

- (a) ensuring that the Board procedures are followed while a meeting is conducted;
- (b) managing all Board and Board Committee meeting logistics, and attending and recording minutes of all Board and Board Committee meetings;
- (c) advising the Board on its roles and responsibilities;
- (d) advising the Board on corporate disclosures and compliance with company law and securities regulations and Listing Requirements;
- (e) managing procedures pertaining to AGM; and
- (f) monitoring corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectations.

18. **REVIEW OF THE CHARTER**

This Board Charter shall be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in the rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

This Board Charter was reviewed and approved by the Board on 9 September 2021 and is made available for reference on the Company's website at sengfongholdings.com.