



BOARD CHARTER

1. INTRODUCTION

The Board of Directors ("the Board") of Choo Bee Metal Industries Berhad ("the Company" or "CBM") is responsible and accountable for governing, guiding and monitoring the direction of the Company with the objective of enhancing long term sustainable value creation aligned to our aim of realising potential for our Shareholders and other stakeholders. Towards this end, the Board strives to ensure that the Company and its subsidiaries ("the Group") practice the highest standards of corporate governance.

2. CORPORATE VISION AND MISSION STATEMENT

The capital and resources of the Group will be allocated to those assets and activities which will enable it to achieve its goals in a manner best serving the interest of the shareholders as a whole.

2.1 Our Vision

The Board is committed to achieving the Group's vision which is to become one of the nation's premier manufacturer, supplier and service center of steel products.

2.2 Our Mission Statement

- 1) By meeting and exceeding our customers' needs in terms of what and when we deliver;
- 2) By expanding our earnings base with an annual increase in contribution of 10% from new products;
- 3) By embracing core values which enforces an excuse free workplace;
- 4) By focusing on continuous improvements in our internal processes; and
- 5) By strengthening our position as an operationally excellent company.

3. PURPOSE

The purpose of this Board Charter is to promote the highest standards of corporate governance within the Group and to provide greater clarity on the authority, roles, responsibilities and governance framework of the Board. This Board Charter has been endorsed by the Board and is subject to review by the Board annually, to ensure the Group remains at the forefront of best practices in corporate governance.

4. THE BOARD

4.1 Board Membership

4.1.1 Composition

The Board shall ensure that its composition reflects a diversity of backgrounds, skills, experience and knowledge in the areas of business, economics, finance, legal, general management and strategy as may be required to facilitate the decision making of the Company.



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The Articles of Association of the Company provides for a minimum of two (2) directors and a maximum of 12 directors. The Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) require that at least half (1/2) of the Board comprises independent Directors for listed issuer who does not fall under the “Large Companies” definition. The Independent Non-Executive Directors play a key role in providing unbiased views and impartiality to the Board’s deliberation and decision-making process. In addition, the Independent Non-Executive Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders in the Group.

The Malaysian Code on Corporate Governance (“MCCG”) 2017 practice requires the tenure of an Independent Director not to exceed a cumulative term limit of 9 years, However, upon completion of the 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 9 years, it should justify and seek annual shareholders’ approval. If the Board continues to retain the Independent Director after the 12th year, the Board should seek annual shareholders’ approval through a 2-tier voting process.

The Board shall appoint a Senior Independent Director who shall serve as the point of contact between the Independent Directors and the Chairman on sensitive issues and to act as a designated contact to whom shareholders’ concerns or queries may be raised, as an alternative to the formal channels of communication with shareholder.

The Board shall examine the composition and size of the Board from time to time to ensure its effectiveness.

4.1.2 Recruitment and Appointment of Directors

Based on the recommendation of the Nominating Committee (“NC”) of the Board, the Board shall have power at any time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Board although the total number of Directors shall not at any time exceed the maximum number fixed in the Articles of Association of the Company.

For the recruitment or appointment of new Directors, the NC shall ensure the review criterias are met before making recommendations to the Board. These include the review of skills, experience and strength in the qualities necessary for the discharge of responsibilities in an effective and competent manner. Apart from these, to ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the NC shall consider the number of directorships held in other PLC’s when determining candidates for recommendation to the Board. In view of this, potential candidates are not allowed to hold directorships in more than five PLCs (as prescribed in Paragraph 15.06 of the Listing Requirements). Other factors considered by the NC shall include the candidates’ ability to satisfy the test of independence taking into account the candidate’s character, integrity and professionalism. Diversity of the Board’s composition is also important to facilitate optimal decision-making by harnessing different insights and perspectives.



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4.1.3 Re-appointment and Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to election at the first opportunity after their appointment and at least one third of the remaining directors are subject to re-election by rotation at each Annual General Meeting. The Articles of Association also provide that all Directors shall retire at least once in three years. The NC shall review the composition of the Board annually and make recommendations to the Board when considered necessary to ensure the Board comprises an appropriate mix of skills and experience. Proposals for the re-appointment of Directors shall be recommended by the NC to the Board for decision prior to the shareholders' approval at the Annual General Meeting.

4.1.4 Board Gender Diversity

The Board does not have policies on gender diversity, its targets and measures to meet those targets. The Board views that any new appointment to the Board shall be based on the candidate's capability, skills, experience, core competencies and integrity regardless of gender and ethnicity. Female representation in the Board will be considered when such vacancies arise and suitable candidates are identified.

4.1.5 Annual Assessment

The NC shall carry out the Board, Committees and Director's assessment exercise annually. The effectiveness of the Board is assessed in the areas of Board diversity, composition and governance, decision-making and Boardroom activities, as well as in terms of each Director's skills and expertise. The respective Board committees are assessed through the appointed Committee's Chairman to ascertain whether their functions and duties are effectively discharged in accordance with their respective Terms of Reference. The effectiveness of the Board Committees is also assessed in terms of composition and governance, meeting administration and conduct, skills, competencies, roles and responsibilities. Additionally, the ability of each individual Director and Board Committee member to exercise independent judgement and demonstrate objectivity and clarity of thought on issues during deliberations at meetings, offer practical advice to the Board and/or Committee discussions are also taken into consideration.

The Directors shall be assessed on their independence on an annual basis in accordance with the criteria stipulated in paragraph 1.01 of the Listing Requirements, which states that a director needs to be independent from Management and free from any business or other relationship which could interfere with his independent judgment or ability to act objectively and in the best interest of the Company. Other criterias assessed includes relevant experience, expertise, skills and competencies.

All Independent Non-Executive Directors shall not participate in the day-to-day management of the Group and shall not engage in any business dealings or other relationship with the Group. This is to ensure that they are capable of exercising judgment objectively whilst acting in the best interest of the Group, its stakeholders and shareholders, including minority shareholders. To enhance accountability, the specific functions shall be reserved for the Board and those delegated to Management.



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4.1.6 Other Board Appointments

Any Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not detrimentally affect the Director's performance as a Member.

The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

4.1.7 Alternate Directors

Each director shall from time to time be entitled to nominate any person (not being a director of the Company) to act as his alternate director and, at his discretion, to remove such alternate director. The appointment of such alternate director shall be approved by majority votes of the Board.

If a director making such appointment ceases to be a director of the Company, the person appointed by him shall thereupon cease to have any power or authority to act as an alternate director.

The appointed alternate director shall be entitled to receive notices of all meetings of the Board and to attend, speak and vote at the meetings of the Board at which his appointor is not present.

4.2 Board of Directors ("the Board")

4.2.1 Roles and Responsibilities of the Board

The Board's role is to govern and set the strategic direction of the Group, whilst the Management manages them in accordance with the strategic direction and delegations of the Board. The responsibility of the Board is to oversee the activities of the Management in carrying out these delegated duties.

The Board assumes, amongst others, the following principal responsibilities in discharging its stewardship role and fiduciary and leadership functions:-

- 1) reviewing and adopting a strategic plan for the company which include strategies on environmental, social and governance underpinning sustainability;
- 2) providing entrepreneurial leadership to management that promotes innovation and long term value creation;
- 3) overseeing management's implementation of the Group's strategic objectives and its performance;
- 4) ensuring that the company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects Management to operate;
- 5) planning for the succession of Board and key senior management;



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- 6) overseeing the adequacy and integrity of the entity's accounting and corporate reporting systems as well as internal controls;
- 7) establishing policies for strengthening the performance of the Group including ensuring that the Management is actively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- 8) reviewing the adequacy and the integrity of the management information of the Group;
- 9) ensuring that the Company and the Group's financial statements are true and fair and in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia;
- 10) delegates and confers some of its authorities and discretion to the Executive Directors as well as relevant Board Committees;
- 11) amendments to the Terms of Reference of the Board Committees;
- 12) appointment and/or removal of Company Secretary;
- 13) related party transaction, recurrent related party transaction and matters involving any conflict of interest relating to substantial shareholder or Director;
- 14) review and approve the Group's Code of Conduct which reflects the Group's values and set high standards ethics and corporate behaviour for Directors and employees; and
- 15) review and approve other Group's policies being implemented such as the Whistle Blowing Policy, Anti-Bribery and Corruption Policy, Corporate Disclosure Policy, Shareholders Communication Policy and Remuneration Policy for Members of The Board and Senior Management.

The Board's powers include the ability to:-

- 1) Appoint new Directors to the Board in accordance with the applicable Act and Articles of Association;
- 2) Initiate and adopt corporate plans, commitments and actions;
- 3) Initiate and adopt changes in accounting principles and practices;
- 4) Provide advice and counsel to the Chief Executive Officer ("CEO");
- 5) Instruct and review the actions of any Board Committee and of the CEO;
- 6) Make recommendations to shareholders;



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- 7) Require the attendance of the Company's Auditor, either with or without Management being present;
- 8) Act as to all other corporate matters not requiring shareholders' approval;
- 9) Determine the dividend policy and declare dividends to shareholders; and
- 10) Issue or buy-back of shares in accordance with the applicable Acts and Articles of Association.

4.2.2 Role of the Group Executive Chairman ("the Chairman")

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board.

The principal responsibilities of the Chairman are to:

- 1) lead the Board and ensure its effectiveness in discharging its responsibilities;
- 2) ensure efficient conduct of the Board's function and meetings;
- 3) facilitate effective contribution of all Directors at Board meetings;
- 4) promote constructive and respectful relations between Directors, and between the Board and Management;
- 5) ensure proper and timely flow of information to the Board;
- 6) ensure effective communication between the Board and the Management with shareholder, stakeholders and the public generally; and
- 7) ensure that the advice of the Company Secretary on compliance, procedures and rules are considered and acted upon.

4.2.3 Board Composition and Mix

The composition of the Board will reflect the duties and responsibilities to discharge and perform as representative of the interests of shareholders, and in setting the Company's strategy and seeing that it is implemented.

Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder' values, the ability to see the wider picture, high ethical standards, sound practical sense, and a total commitment to furthering the interests of shareholder and the achievement of the company's goals.

Non-Executive Directors will be active in areas which enable them to relate to the strategies of the Company and to make a meaningful contribution to the Board's deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.



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The size of the Board will be such that the common purpose, involvement, participation, harmony and sense of responsibility of the Directors are not jeopardised. It must be large enough to ensure a range of knowledge, views and experience.

In the event of an Executive Director's service contract with the Company is terminated for whatever reason, the said director is expected to resign from the Board, although the Board may, if it considers it appropriate, and subject to shareholders' approval where necessary, re-appoint him/her as a Non-Executive Director.

4.2.4 Board Meetings

The Board will normally hold meetings every quarter and will hold additional meetings as the occasion requires. The Board has a formal schedule of matters reserved to it for decision, including the approval of annual and quarterly results, major capital expenditures and the review of business operations and performance of the Group.

The Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Directors who are unable to attend a meeting shall inform the Chairman at an earlier date possible. All Directors are required to comply with the minimum requirements on attendance (minimum 50% attendance) at Board meetings as stipulated in the Listing Requirements.

Board discussions shall be open and constructive, recognising that genuinely-held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in 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.

The Board has sole authority over its agenda and exercises this through the Chairman. Any Directors may, through the Chairman, request the addition of an item to the agenda. The agenda will be set by the Chairman and the Secretary.

The Directors are entitled to have access, at all reasonable times, to all relevant company information and to Management.

The Directors are expected to strictly observe the provisions of the Act applicable to the use and confidentiality of company information.



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4.2.5 Supply of Information

All Directors review a quarterly Board report prior to the Board meeting. This enables the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board report includes, among others, the following details:

- minutes of the last Directors' Meeting
- Circular Resolutions passed since the last Directors' Meeting
- minutes by the Board Committees Meetings
- an operational report of the Group
- the financial statements and report on consolidated results for the release to Bursa Securities and Securities Commission
- progress report on Share Buy Back
- notices from Directors, if any, and Directors' interests
- announcements/submissions made to Bursa Securities/Securities Commission
- press releases and/or letters from Bursa Securities and/or Securities Commission
- corporate plans, major issues and opportunities for the Group
- policies and other matters which require Board's review and approval
- Annual Report and Audited Financial Statements

4.2.6 Directors' Remuneration

The level of remuneration for the Directors shall be sufficient to attract and retain the Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their level of responsibilities, experience, contribution, individual as well as Group performance. For the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them.

The Remuneration Committee ("RC") carries out the annual review of the overall remuneration policy for Directors and key Group Management. The RC ensures that the Company's remuneration policy remains supportive of its corporate objectives and is aligned with the interest of shareholders, and that the remuneration packages of Directors and key Group Management are sufficiently attractive to attract and to retain persons of high caliber.



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4.2.6 Directors' Training

Directors' training is an on-going process for the Directors to continually develop and refresh their knowledge and skills, and to update themselves on developments in the steel industry and business landscape both domestically and internationally. Such trainings can include attending external seminars/talks/trade fairs/exhibitions as well as internally facilitated sessions and through reading materials.

In addition to the Mandatory Accreditation Programme as required under the Listing Requirements, the Board, through the NC, shall assess the training needs of the Directors from time to time and to ensure that its members continue to update their knowledge and enhance their skills through appropriate continuing education programme and lifelong learning. This will enable directors to fulfil their responsibilities to the Company and enhance their contributions to board deliberations.

The Board's policy requires each Director to attend at least one (1) training session annually. The Board assesses each member's training requirements based on the feedback from members of the Board. The NC will then analyse the training needs of each Director and delegate the task of sourcing for the appropriate training, according to the Director's needs, to the Human Resource Department of the Group. Directors are also personally responsible for their own training needs and should they come across any suitable training, they will notify the Human Resource Department to make arrangements accordingly.

4.2.7 Shareholdings in the Company

When buying or selling shares, Members must strictly observe the rules of Bursa Malaysia on prohibitions on Members and senior management and persons connected and all relevant legislative or regulatory procedures, and should follow any procedural recommendations prescribed from time to time by Bursa Malaysia.

4.2.8 Provision of Business or Professional Services by Members

The Company may be at liberty to engage Members to provide business or professional services of an ongoing nature to the Company:

- for the purpose of a special assignment, engage the services of any Member having special expertise in the particular field; or
- engage the services of another member of a Member's organisation.

so long as the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosure of the engagement are properly observed.



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4.2.9 Access to Information and Advice

The Directors are at liberty to seek independent professional advice on matters relating to the fulfillment of their roles and responsibilities. The Directors can also seek advice from Management on issues pertaining to their respective jurisdictions as well as request for information or updates on matters relating to the Company's business operations. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from the Management. The cost of procuring these professional services will be borne by the Company. Board meeting documents and other relevant Group information/policies/procedures/processes are usually compiled in hard copy to Directors a week prior to board meetings to enable sufficient preparation for deliberation and decision making.

4.2.10 Formalised Ethical Standards

The Directors shall adhere to the best practice in corporate governance and observing the highest standards of integrity and behaviour in activities which they are involved, including interaction with all stakeholders, and within the community and environment in which the Group operates.

4.2.10.1 Code of Conduct

The Group's Code of Conduct for both Directors and employees governs the standards of ethics and good conduct expected of Directors and employees, respectively. The Code of Conduct includes principles relating to fair dealings, confidentiality and protection of Company matters and documents, conflict of interest, reporting on non-compliance (including sexual harassment) as compliance with laws and regulations.

The Directors are required to observe the Code of Conduct as follows:

- 1) Compliance at all times with the Code of Conduct and the Board Charter.
- 2) Observe high standards of corporate governance at all times.
- 3) Adhere to the principles of integrity, objectivity, accountability, openness, honesty and leadership.
- 4) Act in good faith and in the best interest of the Group.
- 5) Not to misuse information gained in the course of duties for personal gain or for political purpose, nor seek to use the opportunity of the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations.
- 6) Uphold accountability at all times. This includes ensuring that the Group's resources are properly safeguarded and the Group conducts its operations as economically, efficiently and effectively as possible at all times.
- 7) Declaration of any personal, professional or business interests that may conflict with Directors' responsibilities.
- 8) Not to accept gifts/benefits and hospitality which may create suspicion of any conflict between their position as a member of the Board and any private interest.



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4.2.10.2 Whistleblowing Policy and Procedures (“WPP”)

The Company’s Whistleblowing Policy and Procedures (“WPP”) seek to foster an environment where integrity and ethical behaviour are maintained and any illegal or improper action and/or wrongdoing in the Company may be exposed. The Audit and Risk Management Committee (“ARMC”) is responsible for overseeing the implementation of the WPP for the Group’s management, and all whistle-blowing reports are addressed to the Chairman of the ARMC. The CEO is responsible for overseeing the implementation of the WPP for the Group’s employees, where the CEO would address all whistle-blower reports made by employees or external parties as prescribed under the WPP.

4.2.10.3 Anti-Bribery and Corruption Policy (“ABCP”)

The Board is responsible to review and approve the Anti-Bribery and Corruption Policy (“ABCP”) and to ensure its implementation addresses and manages bribery and corruption risks, promotes a culture of integrity within the organization and complies to laws and regulatory requirements. Communication and good standards of behavior permeate throughout all levels of the Group would help prevent misconduct and unethical practices. Consequently, it will support the delivery of long-term sustainable success of the Company. Any prohibited act or possible violations of the ABCP shall be reported to the Compliance Officer who will perform initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the CEO and/or Chairman of the ARMC.

The Company’s Code of Conduct, Whistleblowing Policy and Anti-Bribery and Corruption Policy are at the Company’s website at www.choobee.com.my

4.2.11 Strategies Promoting Sustainability

The Board views the commitment to sustainability as part of its broader responsibility to shareholder covering the environment, market place, workplace and communities in which it operates. The Company’s Sustainability Statement for the financial year shall be disclosed in the Annual Report.

4.2.12 Qualified and Competent Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company’s constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The key responsibilities of the Company Secretary are as follows:-

- 1) advise the Board and Management on corporate governance practices;
- 2) ensure compliance with Listing Requirements and related statutory obligations;



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- 3) attend Board meeting and Annual and general meetings, and ensure the proper recording of minutes;
- 4) assist Chairman in the preparation for and conduct of meetings;
- 5) assist Chairman in determining the annual Board plan and the administration of other strategic issues;
- 6) ensure proper upkeep of statutory registers and records, accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company; and
- 7) assist in the induction of new Directors, and continuously update the Board on changes to Listing Requirements, other related legislations and regulations; and

All Members, particularly the Chairman, have access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

4.3 The Board Committees

The Board has delegated certain functions to the following Committees it established to assist with the execution of its responsibilities to the Group:

- Executive Committee;
- Audit and Risk Management Committee;
- Nominating Committee; and
- Remuneration Committee

The Committees shall operate within clearly defined written Terms of Reference ("TOR") as approved by the Board which are reviewed from time to time to ensure they remain relevant and are up-to-date. The Chairman of the respective Board Committees report to the Board on outcome of deliberations of the Committee meetings.

The approved TOR for Audit and Risk Management Committee and Nominating Committee are at the Company's website at www.choobee.com.my.

4.4 Role of the Chief Executive Officer ("CEO")

The CEO has overall responsibility for the day-to-day management of the business and implementation of the Board's policies, directives, strategies and decisions.

All Board authority conferred on Management is delegated through the CEO so that the authority and accountability of Management is considered to be the authority and accountability of the CEO so far as the Board is concerned. The Board must agree to the levels of sub-delegation below the CEO.

Only decisions of the Board acting as a whole are binding on the CEO. Decisions or instructions of individual Members, officers or committees are not binding except in those instances where specific authorisation is given by the Board.



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The responsibilities of the CEO, amongst others, are as follows:-

- 1) to develop and implement corporate strategies and policies for the Group as approved by the Board;
- 2) to supervise heads of divisions and functions who are responsible for contributing to the success of the Group;
- 3) to ensure the efficiency and effectiveness of the operations of the Group;
- 4) to ensure that the assets of the Group are adequately maintained and protected, and not unnecessarily placed at risk;
- 5) to assess the benefits and risks of potential business opportunities for the Group;
- 6) to bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
- 7) to act within the authority delegated to him by the Board;
- 8) maintain a clear reporting lines to ensure adequate and defined channels of reporting between the Board, CEO and the Management; and
- 9) foster a positive corporate culture that promotes ethical practices, encourages individual's integrity and fulfils social responsibility to attract, retain and motivate a diverse group of top-quality employees at all levels.

The Deputy CEO shall assume full role and responsibilities of the CEO in the absence of the CEO.

4.4.1 Management Limitations

The CEO is expected to act within all specific authorities delegated to him or her by the Board.

The CEO is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

The CEO is expected to not cause or permit any action without taking into account the health, safety, environmental and political consequences and their effect on long-term shareholders' values.

The assets of the Group are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Group must operate within a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Group's external auditors. In managing the risks of the Group, the CEO is expected to not cause or permit anyone to substitute their own risk preferences for those of the Shareholder as a whole.



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The CEO is expected to not permit employees and other parties working for the Group to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

The CEO is expected to not cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the business and are proportional to the extent that the contribution in question has furthered such purposes.

4.5 ACCOUNTABILITY AND AUDIT

4.5.1 Financial Reporting

The Directors shall present a balanced, clear and understandable assessment of the Group's position and prospects in the annual financial statements and quarterly financial statements to shareholders. The AC assists the Board in reviewing information to be disclosed to ensure accuracy, adequacy and quality of reporting for the Group's annual and quarterly financial statements, with assurance from the Chief Financial Officer that the appropriate accounting policies are being adopted and applied consistently and that the going concern basis has been applied as well as prudent judgements and reasonable estimates are being made. The AC also reviews the appropriateness of the Group's accounting policies and the changes to these policies as well as ensures these financial statements comply and are prepared in accordance to applicable MFRS and other regulatory/statutory requirements.

4.5.2 Statement of Directors' Responsibilities

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that year.

In preparing the financial statements for each financial year, the Directors have to ensure the following:

- The appropriate accounting policies have been adopted and applied consistently
- The judgements and estimates made were prudent and reasonable
- The applicable accounting standards have been followed
- The financial statements have been prepared on a going concern basis

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Companies Act, 2016 and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Company.



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4.6 RELATIONS WITH AND SHAREHOLDER AND INVESTORS

4.6.1 Dialogue between Company and Investors

The Board recognises the importance of shareholder communication as it is a key component to upholding the principles and best practices of corporate governance for the Group.

In this regards, the Board shall ensure that the Company:

- 1) immediately announces any material information;
- 2) immediately announces the occurrence of events prescribed under the Listing Requirements;
- 3) immediately announces transactions which trigger the prescribed materiality threshold;
- 4) announce, on a periodic basis, its financial statements and annual audited financial statements and Annual Report;
- 5) conduct dialogues or telephone communications with the fund managers, institutional investors and investment analyst as well as the media to provide insights on the operations, financial performance and latest developments in the Group's business and prospects; and
- 6) maintains its own website which is current, informative and contains all information such as all announcements made to Bursa Securities and the contact details of the Company's designated person to enable the public to forward queries.

4.6.2 Annual General Meeting

The Annual General Meeting ("AGM") serves as an ideal opportunity for dialogue and interaction with both institutional and individual shareholders. The Company dispatches Notice of its AGM to shareholders more than 28 days as well as in advance of the 21 days requirements stipulated in the Companies Act, 2016 and MMLR. The additional time allows shareholders to make the necessary arrangements to attend and participate in person or by proxy or by corporate representative at the AGM. During the meeting, shareholders are given the opportunity to enquire and comment on matters relating the Group's business in addition to the Company's financial statements and other items for adoption at the meeting. All the Directors, Management and the External Auditors in attendance are to respond to shareholders' queries, where appropriate.



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4.7 REVIEW OF THE BOARD CHARTER

The Board Charter shall be reviewed annually to ensure it complies with legislations and best practices, and remains relevant and effective in light of the Board's objectives. Any subsequent amendment to the Charter can only be approved by the Board.

The Board Charter is available on the Company's website at www.choobee.com.my.

Revision No.: 4

Dated: 28 February 2020