



THONG GUAN INDUSTRIES BERHAD

BUSINESS CONTINUITY MANAGEMENT POLICY



1.0 Introduction

- 1.1. The purpose of Business Continuity Management Policy (BCMP) is to enhance Thong Guan's resilience. It involves strengthening the company's capability to anticipate, prevent, reduce, and effectively respond to disruptive events. Following such incidents, BCM ensures that Thong Guan can maintain critical or high-priority operations and facilitates a swift return to normal business operations.
- 1.2. Effective implementation of the BCMP is essential to safeguard the organisation's continuity. It helps preserve corporate assets, minimise financial and customer losses, and ensures the organisation's survival during crises or leadership transitions.
- 1.3. All employees are expected to comply with Thong Guan's BCMP.

2.0 Objective of the BCMP

2.1 The primary objectives of the BCMP are to:

- Ensure Thong Guan can effectively manage disaster recovery efforts in the event of significant or prolonged service disruptions caused by uncontrollable factors, including natural disasters, contagious diseases, and human-induced incidents, with the goal of restoring operations as broadly and quickly as possible.
- Address succession planning and leadership continuity at the management level in the event of resignations, deaths, or departures of key senior personnel.
- Identify and mitigate risks to critical business functions during disruptions to minimise the impact on employees, the company, and external stakeholders, and to promptly restore affected services.

3.0 Scope of the BCMP

- 3.1 This BCMP outlines the roles, responsibilities, processes, and systems required to resume or restore Thong Guan's business operations in a timely and efficient manner following a disruption.
- 3.2 The procedures under the BCMP are detailed in the Business Continuity Management Plan, while system-specific recovery processes are addressed separately in Thong Guan's Information Technology Disaster Recovery Plan (IT DRP).



4.0 Roles and Responsibilities

4.1 Board of Directors and Management Oversight

A. Executive Directors

- The Executive Directors is responsible to ensure that Thong Guan has a workable BCP and IT DRP in place for all critical business functions and that the plans are consistent with Thong Guan's overall business objectives. The Executive Directors should also ensure that the BCP is adequately tested and updated to reflect changes in the operational environment and business activities.

B. Management

- Management is responsible for developing the BCMP for the Executive Directors' approval, implementing the approved policy and associated processes, conducting periodic review(s) on the effectiveness of Thong Guan's BCM, and communicating any issue or concern arising thereon to the Executive Directors in a timely manner.
- Management should periodically assess Thong Guan's readiness for effective response to major disruption and articulate clear expectations for business continuity preparedness throughout the organisation to foster business continuity management effectiveness.
- Management should also ensure that the BCMP is clearly communicated to staff at all levels so that they are aware of their respective roles, responsibilities and accountability with respect to BCM.
- Management, assisted by risk management task force will act as the Crisis Management Team to coordinate the recovery and resumption of all critical business functions, communicate with internal and external stakeholders during the disruption period and advise the Group Managing Director on the need to issue a declaration of disaster and invoke the BCP.

4.2 Staff Roles and Responsibilities

C. Business Continuity Team (BCT)

The Business Continuity Team is responsible for supporting the continuity and recovery of critical business processes. Their crisis response duties include:

- i Assessing the extent and impact of the disruption.
- ii Escalating the assessment to the Crisis Management Team (CMT).
- iii Managing communication with clients, counterparties, and other relevant third parties.
- iv. Restoring critical business processes within the defined maximum tolerable downtime.



D. Business Recovery Team (BRT)

The Business Recovery Team is tasked with ensuring the timely restoration of essential operations. This includes managing personnel, core functions, assets, and records throughout the disruption and recovery phases.

E. All Employees

All staff members are expected to remain prepared by familiarising themselves with the BCP and actively participating in any required training or drills.

4.3 Approval of Team Members

The appointment of members to the Crisis Management Team (CMT), Business Continuity Team (BCT), and Business Recovery Team (BRT) is subject to the approval of the Group Managing Director.

5.0 BCM Planning Parameters

5.1 Identification of Critical Business Functions

The first step in the business continuity planning process is to identify the critical business functions and their supporting processes that must be sustained during a crisis.

5.1.1 Tools

The following tools are used to support this identification process:

- Business Impact Analysis (BIA)
- Risk Analysis (RA)

5.1.2 BIA and RA Frequency

The BIA and RA exercises must be conducted at least once every three (3) years or earlier if there are significant changes to internal operating procedures or the external environment - whichever occurs first. This requirement aligns with Thong Guan's Enterprise Risk Management Framework, which requires the review and update of the organisation's risk profile at a minimum of once every three (3) years.

5.1.3 Participation and Accountability

Management must ensure active involvement from all business and support units in the BIA and RA processes. Heads of Business Units (BUs) and Support Units (SUs) are responsible and accountable for completing the BIA, RA, and the development of corresponding Business Continuity Management Plan.



5.2 Maximum Tolerable Downtime and Recovery Time Objective

Maximum tolerable downtime is the timeframe during which a recovery must become effective before an outage compromises the ability of Thong Guan to achieve its business objectives and survival.

Recovery Time Objective is a timeframe required for IT systems and applications to be recovered and become operationally ready to support business functions after an outage.

5.3 Communication in the event of disaster

5.3.1 In the event of major and extended service outages caused by factors beyond the organisation's control for more than 24 hours, the Managing Director of Thong Guan (or Executive Directors in the absence of the Managing Director) is to:

- issue a declaration of disaster;
- revoke the declaration of disaster upon resumption of normal operations.

5.3.2 The CMT and BCT shall maintain an emergency contact list containing all relevant parties, e.g. Heads of Department, emergency services (fire, police, ambulance) and the BRT, for swift response and the recovery of critical business functions. The contact list should be continuously updated

5.4 Alternate Recovery Site

5.4.1 The alternate recovery site will be used should the business premises, infrastructure and systems supporting critical business functions become unavailable in the event of an incident.

5.5 Testing of Plan

5.5.1 The BCP must be tested annually (including live testing) to ensure the functionality and effectiveness of the recovery strategies and processes, preparedness of staff and other recovery resources.

5.6 Maintenance of the Plan

5.6.1 BCP must be reviewed at least once annually to ensure the following:

- Critical business functions are accurately identified and updated;
- Appropriate continuity and recovery strategies are in place;
- All plan documentation is current and relevant;
- Minimum operational requirements and recovery time objectives remain suitable and effective.



6.0 Succession Planning and Development

- 6.1 Thong Guan is committed to evaluating its leadership needs to ensure the selection of qualified, diverse leaders who possess the necessary skills and align with the company's mission and strategic objectives.
- 6.2 A formal succession plan is in place to ensure leadership continuity and to prevent prolonged and costly vacancies in key positions. This plan is designed to identify and develop potential candidates for senior management roles that may become vacant due to retirement, resignation, unforeseen circumstances, or business expansion.
- 6.3 The succession plan outlines critical executive and management roles, anticipates future vacancies, and identifies internal candidates for potential advancement. Where internal candidates are unavailable or unsuitable, interim appointments will be made while external recruitment is undertaken.
- 6.4 The Executive Directors/ Group Managing Director shall meet with the Heads of Department and Heads of Business Units at least twice a year to review the succession plan and present recommendations for potential successors and other key leadership positions.