

THONG GUAN INDUSTRIES BERHAD (324203-K)

DIRECTORS' CODE OF CONDUCT

1) Introduction

Thong Guan Industries Berhad (“the Company”) has adopted the following code of conduct (“Code”) for Directors.

Directors are to adhere to, comply with and uphold the provisions of the code in carrying out their day-to-day operation.

2) Objective

This Code is formulated with the intention of achieving the following aims:

- i) To cultivate and achieve high standard of directors integrity and ethical;
- ii) To provide guidance to the board to create a high integrity company in order to maintain shareholders confidence;
- iii) To protect shareholder or other stakeholders interest in the Company.

3) Code of Conduct

The Directors shall at all times, act within the authority conferred upon them in the best interests of the Company and will:

- i) Act honestly, integrity, ethically and transparently;
- ii) Conduct professionally and not take any advantage in their position;
- iii) Act in good faith, responsible, with due care and diligence, without allowing their independent judgment to be subordinated;
- iv) Act in the best interest in fulfilling their fiduciary obligations to the Company and its shareholders; and
- v) Always strive to contribute towards the growth and stability of the Company.

4) Directors

4.1 Directorship

Directors must at all times comply with the restriction on the number of directorships as prescribed under the Main Market Listing Requirements (“MMLR”). In the absence of a formal protocol on induction, acceptance of new directorship and time commitment, a Director accepting new directorships in a public company will notify the Board ahead of his new appointment.

4.2 Attendance to Directors' Meeting

The office of a director will become vacant if the director is absent from more than 50% of the total board of directors' meetings held during a financial year.

4.3 Training

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The Director must ensure that he undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties.

Directors are required to disclose to the Company Secretary on the training attended at the end of the each financial year.

5) Insider Dealing

Directors shall comply with all applicable laws relating to dealings with the securities of the Company and are prohibited to trade in the Company's securities affected by or on behalf of a person with knowledge of relevant but non-public material information regarding the Group.

Directors who commits insider trading, may be subjected to the relevant criminal and civil actions under Malaysian Law which includes Capital Market and Services Act 2007.

6) Conflict of Interest

The Directors should avoid involving themselves in situation where there is real or apparent conflict of interest between them as individuals and the interest of the Group. Directors must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage (direct or indirect)

In addition, a director shall avoid any situation in which the director has an interest in any entity or matter that may influence the Director's judgment in the discharge of responsibilities.

7) Confidential Information

In all time, all information obtained in the Company's business, customers and suppliers which the Directors have privy to access must be considered strictly privileged and confidential.

Unless with authorized by the Board or required by law or regulatory body, Directors must not disclose to a third party on any information or make any forward looking statements which are price sensitive in nature.

8) Law compliance obligations

All Directors must have or acquire appropriate knowledge and skills relating to their duties sufficient to enable them to identify potential non-compliance matters and to seek advice from the Management or advisors.

9) Representation

The Company shall be represented by the Board and its Authorized Spokepersons ("AS") in all its public appearances in disclosing information related to the Company's activities to the public.

All the information must strictly adhere to the Corporate Disclosure Policy set up by the Company and is the responsibility of the Board to ensure the adherence.

10) Guideline on acceptance gift and hospitality

The Conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest.

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Board Members acting as such must not give the impression that they have been influenced by a benefit to show favor or disfavor to any person or organization having dealing with the Company;

Board Members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board Member.

Gift other than of token value should generally be refused.

11) Anti-Bribery

Directors are prohibited to or prohibited to attempt to offer, give, ask for, accept or receive any form of bribe in relation to the Group's business.

12) Company Record's

All Company's records are to be prepare precisely, reliably and honestly. The record including all the statutory, corporate, financial, legal, historical and operation information.

13) Amendments to the Code

This Code shall be reviewed by the Management and the Board. The amendments to be made from time to time to be in line with the changes in law, governance code couple with the change in Company's vision, mission and business plan.

Directors shall be fully informed of any amendments to the Code.

The policy adopted on 23 November 2017.