



MEDIA CHINESE INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Malaysia Company No. 995098-A)

(Hong Kong Stock Code: 685)

(Malaysia Stock Code: 5090)

BOARD CHARTER

(adopted on 27 February 2020)

1. INTRODUCTION

The Board of Directors (the “Board”) recognises Corporate Governance as vitally important to the success of Media Chinese International Limited (“MCI” or the “Company”) and its subsidiaries (collectively referred to as the “Group”). They are unreservedly committed to applying the principles recommended by the Malaysian Code on Corporate Governance (the “Malaysian Code”) and the Corporate Governance Code (the “Hong Kong Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Listing Rules”) to ensure that good governance is practiced throughout the Group to safeguard the interests of its shareholders and relevant stakeholders.

All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

2. PURPOSE

This Board Charter sets out the roles, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

This Board Charter will act as a source reference and primary induction literature to provide insights to prospective Board members and senior management. In addition, it will assist the Board in the assessment of its own performance and of its individual Directors.

3. BOARD STRUCTURE AND COMPOSITION

3.1 Board Membership

3.1.1 *Composition*

The Board consists of qualified individuals with the diverse set of skills, experience and knowledge necessary to govern the Company. The composition of the Board shall be guided by the Board Diversity Policy, to ensure the Board is of appropriate mix so as to optimise the performance of the Board and align the Board's capabilities with the strategic direction of the Group.

The Bye-Laws of the Company provides for a minimum of two (2) directors and the Company may from time to time in general meeting by ordinary resolution, increase or reduce the maximum and minimum number of directors, but so that the number of directors shall not be less than two.

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad (the "Bursa Securities Listing Requirements") and the HK Listing Rules, at any time, at least three (3) or one-third (1/3), whichever is higher, of the Board members are Independent Non-executive Directors ("INEDs"). The INEDs provide independent judgment, experience and objectivity to the Board without subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The tenure of an INED shall not exceed a cumulative term limit of 9 years. The INED may continue to serve on the Board beyond the 9-year tenure provided that the INED is re-designated as a Non-executive Director. If the Board intends to retain an INED beyond 9 years, it must justify and seek annual shareholders' approval. If the Board continues to retain the INED after the 12th year, the Board should seek annual shareholders' approval through a two-tier voting process.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness and compliance with the Bursa Securities Listing Requirements and the HK Listing Rules.

3.1.2 *Appointment and Re-election*

The appointment of a new Director is a matter for consideration and decision by the full Board, upon the recommendation from the Nomination Committee ("NC"). In making these recommendations, the NC will consider the required mix of skills, experience, knowledge and diversity, including gender, where appropriate, which the Director will bring to the Board.

The Bye-Laws of the Company provides that every newly appointed Director be subjected to re-election at the immediate Annual General Meeting (“AGM”). Further, one-third (1/3) of the Board shall retire from office by rotation and be eligible for re-election at every AGM. In addition, the Chairman of the Board shall be subject to retirement and be eligible for re-election once every three years.

3.1.3 *Independence of Board*

The Board and NC assess the independence of INEDs annually by taking into consideration of their disclosed interests and having regard to the criteria for assessing the independence of INEDs under the annual board assessment.

3.1.4 *Time Commitment for Accepting New Directorship*

All Board members shall notify the Chairman of the Board before accepting any new directorship in other companies. The notification shall include an indication of time that will be spent on the new appointment.

On the appointment of a new Director, the new Director is required to devote sufficient time and attention to the affairs of the Company.

3.2 Board Roles and Responsibilities

3.2.1 *Role of Individual Directors*

- (i) Directors are expected to comply with their legal and statutory duties and obligations when discharging their responsibilities as Directors. Broadly these include:
 - (a) acting in good faith and in the best interest of the Company as a whole;
 - (b) demonstrating good stewardship and acting in a professional manner with sound mind;
 - (c) acting with reasonable care, skill and diligence subject to the business judgement rule;
 - (d) avoiding conflicts of interest with the Group in a personal or professional capacity;
 - (e) refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director;
 - (f) disclosure of and abstaining from voting on matters of material personal interest; and
 - (g) compliance with the Malaysian Companies Act, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), securities legislation, Bursa Securities Listing Requirements, HK Listing Rules and any other applicable laws and rules governed by the relevant authorities.

(ii) Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employer's interest.

(iii) Duties and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:

- (a) together with senior management of the Company (the "Senior Management"), promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior;
- (b) reviewing, challenging and deciding on management's proposals for the Group, and monitoring its implementation by management;
- (c) reviewing and approving corporate plan for the Group which includes the corporate strategy and strategic plan for the Group;
- (d) ensuring that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability;
- (e) supervising and assessing management's performance to determine whether the business is being properly managed;
- (f) identifying principal risks and setting the Group's risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial crisis and the implementation of appropriate systems to manage these risks;
- (g) ensuring that there is a sound framework for internal controls and risk management;
- (h) understanding principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks;
- (i) ensuring that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession planning of the Board and Senior Management;
- (j) reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- (k) overseeing the development and implementation of investor relation program or shareholders' communication policy.

(iv) Matters reserved for the Board

The following are matters which are specifically reserved for the Board:

- (a) actual or potential conflicts of interest issues relating to a substantial shareholder or a Director;

- (b) approval of strategic investments, material acquisitions and disposition of assets or corporate exercises not in the ordinary course of business;
- (c) approval of strategic plan, annual budgets, including major capital commitments and treasury or risk management policies;
- (d) approval of new ventures;
- (e) recommendation of fees for Non-executive Directors to be approved by shareholders; and
- (f) approval of remuneration including service contracts for Executive Directors.

3.2.2 *Role of Board Chairman and Group Chief Executive Officer (“GCEO”)*

There is a clear division of responsibilities between the Chairman and the GCEO of the Company. The positions of Chairman and GCEO shall be held by different individual, for check and balance. The Chairman of the Board carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. He is responsible for leadership of the Board, ensuring its effectiveness of all relevant aspects of its role and establishing a clear business and financial strategy for the Group, while the GCEO’s role is to manage the Group’s business and to ensure the delivery of the objectives and strategies set by the Board within the authority limits delegated by the Board.

- (i) Duties of the Chairman include, among others, the following:
 - (a) providing leadership for and overseeing the functioning of the Board;
 - (b) reviewing and approving overall strategies and policies of the Company;
 - (c) ensuring that all Directors are properly briefed on issues arising at board meetings;
 - (d) responsible for ensuring that Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable;
 - (e) ensuring that the Board works effectively and performs its responsibilities;
 - (f) ensuring that all key and appropriate issues are discussed by the Board in a timely manner;
 - (g) primarily responsible for drawing up and approving the agenda for each Board meeting. He should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. He may delegate this responsibility to a designated director or the Company Secretary;
 - (h) leading the Board in establishing and monitoring good corporate governance practices and procedures in the Group;
 - (i) encouraging all Directors to make a full and active contribution to the Board’s affairs and take the lead to ensure that it acts in the best interests of the Company. The Chairman should encourage Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that Board decisions fairly reflect Board consensus;
 - (j) at least annually holding meetings with the Non-executive Directors (including INEDs) without the Executive Directors present;

- (k) ensuring that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole;
 - (l) promoting a culture of openness and debate by facilitating the effective contribution of Non-executive Directors in particular and ensuring constructive relation between Executive and Non-executive Directors; and
 - (m) presiding at Board and shareholder meeting and ensuring the proceedings thereof comply with good conduct and practices. The Chairman may delegate the task of chairing such meetings to any member of the Board.
- (ii) The responsibilities of the GCEO, amongst others, are as follows:
- (a) managing the business and investments by overseeing the Group's operations, projects and financial performance in accordance with the policies and directions of the Board with the assistance of the Group's senior management team;
 - (b) making day-to-day decisions and implementing major strategies relating to the Group's operations;
 - (c) making recommendations to the Board as to the Group's overall policies, strategies and financial objectives of the business plan; and
 - (d) coordinating overall business operations, providing leadership to staff and nominating key personnel.

3.2.3 *Role of Executive Directors (including the GCEO)*

Executive Directors serve as a conduit between management and the Board and are responsible for the effective implementation of the Group's strategic plan and policies established by the Board, besides managing the daily operations of the Group.

Management, through the Board's delegation of authority to the GCEO, is responsible for the:

- (a) day-to-day management of business and operations of the Group;
- (b) implementation and execution of approved strategies, policies and operational plans mandated to management; and
- (c) implementation and execution of the Code of Ethics and Conduct and policies.

3.2.4 *Role of Non-Executive Directors/Independent Non-executive Directors*

Non-executive Directors (NEDs) act as a bridge between management, shareholders and stakeholders. The roles of NEDs largely encompass the monitoring of the Group's performance and contributing to the development of the Group's strategies. They provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interest and ensuring that high standards of corporate governance are applied. INEDs are essential for protecting the interest of shareholders and can make significant contribution to the Group by bringing in the quality of detached impartiality.

3.2.5 *Role of Senior Independent Non-executive Director (“Senior INED”)*

The Board may appoint a Senior INED to whom concerns pertaining to the Group may be conveyed by shareholders. The duties of Senior INED shall include acting as a sounding board for the Chairman, an intermediary for other Directors when necessary, and the point of contact for shareholders and other stakeholders with concerns who have failed to be resolved or would not be appropriate to be communicated through the normal channels of the Chairman and/or GCEO.

3.3 Board Committees

The Board may from time to time establish board committees (“Committees”) as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities:

- (1) Audit Committee;
- (2) Remuneration Committee (“RC”); and
- (3) NC.

The Committees shall operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within the terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

3.4 Board Meetings

Pursuant to the Bursa Securities Listing Requirements and the HK Listing Rules, the Board shall conduct at least four (4) scheduled meetings annually at approximately quarterly intervals, with additional meetings to be convened as and when necessary.

The meetings shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Board.

All Directors will be provided with the Board materials in a timely manner prior to the scheduled Board meetings. A full agenda of the meeting and all Board papers would be distributed in advance to ensure Directors are well informed and have the opportunity to propose any other matters for inclusion in the agenda. Where necessary, the services of other senior management or external consultants will be arranged to brief and help the Directors clear up any doubt or concern.

The quorum of Board meeting is two (2) members, present in person.

Proceedings of all meetings are minuted and confirmed by the Chairman of the meeting as correct proceedings thereat in the next scheduled Board meeting unless otherwise determined.

Directors' circular resolutions approved by all the Directors except such as are absent from the territory in which the head office is for the time being situate or temporarily unable to act through ill-health or disability, are as valid and effectual as if the resolutions had been passed at the meeting of the Directors duly convened and held.

The duly signed minutes and directors' circular resolutions are to be recorded in the Company's minutes book. Actions on all matters arising from any meeting are reported at the following meeting.

3.5 Financial Reporting

In presenting the annual financial statements, interim results announcements and quarterly results announcements to the shareholders, the Board aims to present a balanced and understandable assessment of the Group's financial position and future prospects.

The Board ensures that the financial statements is prepared in accordance with the International Financial Reporting Standards and the disclosure requirements of the applicable laws and regulations, so as to give a true and fair view of the state of affairs of the Group and the Company.

3.6 Remuneration Policies

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

All NEDs will be paid a fee for acting as Directors of the Company on the recommendation of the RC to the Board, subject to the approval by shareholders; and NEDs also will be paid meeting allowance for their attendance at meetings.

The remuneration of Executive Directors and Senior Management shall be reviewed by the RC and recommended to the Board for approval with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference with the Group's performance.

Each of the Directors has entered into an appointment letter with the Company setting out the key terms and conditions of the appointment.

3.7 Board Assessment and Evaluation

The NC shall conduct an annual review of the Board's performance and effectiveness of the Board and Board Committees, including individual Directors, annually, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members for discussion at the full Board.

3.8 New Director Orientation and Continuous Education

The Board acknowledges the importance of continuous education and training to enable effective discharge of its responsibility. This is essential for Directors to improve their skills and keep abreast of regulatory changes, other developments and broad business trends.

The Company Secretary undertakes the role as the coordinator to manage and co-ordinate the Directors' seminar and training requirements, which include the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad for the newly appointed Director.

All new Directors will be provided with a copy of the following documents in relation to the director's duties and the Group's information upon being appointed as a Director:

- (a) Board Charter;
- (b) Code of Ethics and Conduct;
- (c) Board committees' composition and terms and reference;
- (d) Latest annual reports and accounts;
- (e) Organisation structure; and
- (f) Minutes of the past three Board of Directors' meetings.

The Board should on continuing basis evaluate the training needs of its Directors and ensure all Directors have access to appropriate continuing education programmes.

4. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Directors shall have unrestricted access to the advice and services of the Company Secretary and senior management staff in the Group and may seek independent professional advice and information in the furtherance of their duties at the Company's expenses, so as to ensure that the Directors are able to make independent and informed decisions.

5. COMPANY SECRETARY

The Company Secretary plays an important role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board shall appoint someone who is capable of carrying out the duties to which the post entails, and the removal of the Company Secretary shall be a matter for the Board as a whole. The Company Secretary shall be an employee of senior position with adequate authority and have day-to-day knowledge of the Company.

The Company Secretary shall report directly to the Board and is responsible for advising the Board on governance matters and facilitate induction and professional development of Directors.

6. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

The Board shall place great importance in ensuring the high standards of transparency and accountability in its communications to shareholders, stakeholders, as well as to potential investors, analysts and the public. The Shareholders' Communication Policy has been adopted by the Company in order to maintain full and open communication with its shareholders.

The ways of communication to shareholders and investors, amongst others, are as follows:

- (1) timely announcements and disclosures made to Bursa Malaysia Securities Berhad, The Stock Exchange of Hong Kong Limited and the Company's website which includes financial reports (quarterly, interim and annual reports) of the Group, material transactions, changes in composition of the Group and other material information;
- (2) regular briefings with financial analysts held at least twice each year, usually coinciding with the release of the Group's second and fourth quarterly results, to explain the results achieved as well as immediate and long term strategies, along with their implications, going forward;
- (3) press conference which is normally held after each AGM and/or special general meeting to provide the media an opportunity to receive an update from the Board on the proceedings at the meetings and to address any queries or areas of interest of the media; and
- (4) make available of the additional corporate information and/or disclosures of the Group on the Company's website for reference, including press materials, investor relations briefings, presentation and speeches delivered by the Chairman.

The Company regards the AGM as the principal forum for dialogue with shareholders to update them on the progress and performance of the Group. It provides an important opportunity for effective communication with, and constructive feedback from the shareholders. Separate resolutions are proposed at AGM for substantially separate issues and the shareholders participate in the deliberation of resolutions being proposed. The Chairman encourages active participation by the shareholders during the AGM and all votes shall be taken by poll. A press conference is also held immediately after the AGM where the GCEO and Executive Directors will meet the media to answer queries relating to the Group and its performance.

The Board shall ensure there is effective, transparent and regular communication with its stakeholders to facilitate the mutual understanding of each other's objectives and expectations.

7. DECLARATION OF INTEREST/CONFLICTS OF INTERESTS

The Directors must disclose to the Board in due course or within a reasonable period, on any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue. The Directors are required to disclose their shareholdings in the Company, other directorships in public companies and any potential of interest. If a conflict or potential conflict situation exists, it is required that the interested Director shall be abstained from discussions/deliberations and voting and he/she must not vote on the resolution approving the transactions.

8. DEALINGS IN SECURITIES

To ensure the compliance on the process and requirements when dealing in the securities of the Company, the Directors are guided by (i) the provisions of the Model Code for Securities Transactions by Directors of Listed Issuers which are set out in Appendix 10 of the HK Listing Rules, and (ii) Chapter 14 (Dealings in Listed Securities) of the Bursa Securities Listing Requirements on restrictions on dealings by Directors and his/her spouse and child during closed period.

The Directors must not deal in the securities of the Company as long as he/she is in possession of price-sensitive or inside information relating to such listed securities.

9. CODE OF ETHICS AND CONDUCT

The Company has adopted a code of ethics and conduct (the "Code") which is to be observed by all Directors and employees of the Group, and the core areas of conduct under the Code include the following:

- (1) conflict of interest;
- (2) confidential information;
- (3) anti-bribery and corruption;
- (4) anti-money laundering
- (5) inside information and securities trading;
- (6) protection of assets and funds;
- (7) business records and control;
- (8) compliance with laws;
- (9) gift and entertainment;
- (10) health and safety;
- (11) sexual harassment;
- (12) outside interest;
- (13) fair and courteous behavior;
- (14) misconduct; and
- (15) environment

The Board will review the Code regularly to ensure that it continues to remain relevant and appropriate. The Code is made available for reference in the Company's website at www.mediachinesegroup.com.

10. WHISTLE-BLOWING POLICY

The Group is committed to achieving and maintaining the highest standard of work ethics in the conduct of business in line with the Group's Code of Ethics and Conduct and good governance practices. The Group encourages its employees as well as other party who is not employee of the Group to raise genuine concerns about any possible/suspected malpractices, wrongdoings or improprieties in matters concerning the Group, which include without limitation, financial reporting, accounting, auditing, internal control, bribery or corruption, sexual harassment, breach of confidentiality, breach of the Group's policies, or compliance with legal or regulatory requirements, in an appropriate way. The oversight of the whistle-blowing function is under the purview of the Audit Committee who is responsible for reviewing the effectiveness of the actions taken in response to all concerns raised.

11. SUSTAINABILITY

The Board is committed to incorporating sustainability into its actions and practices as part of its responsibility to the environment, economic, social and governance aspects of business. The Board has developed / will develop specific policies, procedures or guidelines to support, promote or ensure compliance of its sustainability policy.

12. REVIEW OF THE BOARD CHARTER

The Board endeavours to comply at all times with the principles and practices as set out in this Board Charter.

This Board Charter shall be reviewed and updated by the Board periodically to ensure its relevance in assisting the Board to discharge its duties with the changes in any new regulations that may have an impact on the discharge of the Board's responsibilities. This Board Charter was revised and adopted by the Board on 27 February 2020.

The Board Charter is made available in the Company's website at www.mediachinesegroup.com.

In the case of any inconsistency, the English text of this document shall prevail over the Chinese text.