KEIN HING INTERNATIONAL BERHAD [200301013636 (616056-T)]

Board Charter

1. INTRODUCTION

The Board of Directors of Kein Hing International Berhad ("the Board") has adopted this Board Charter ("Charter") to outline the manner in which it will exercise and carry out its constitutional powers and responsibilities in accordance with good corporate governance, best practices and the applicable laws.

The Board is primarily responsible for the performance, the affairs, the governance, the fiduciary and organisational wellbeing, and the long term success and the setting of sustainability strategies, priorities and targets of the Company and its subsidiaries (collectively "the Group") and for the delivery of sustainable value and confidence to its stakeholders.

The Board is ultimately accountable to the members and is committed to achieving the highest standards of corporate governance and performance.

The Board shall, in so far possible, apply the principles and practices of good corporate governance in all its dealings for, or on behalf of the Company and to uphold the core values of integrity, transparency, accountability, and enterprise as part of their fiduciary duties and responsibilities.

2. PURPOSE

The purpose of the Board Charter is to set out the roles, duties and responsibilities as well as the composition and processes to enable all Board members, acting on behalf of the Company, to understand their duties and responsibilities at all times.

The Board Charter also serves as a comprehensive guide for prospective or new Board members and senior management to understand their roles and responsibilities and the commitment of time and contribution expected of them.

This Board Charter is subject to the provisions of the Companies Act, 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Malaysian Code of Corporate Governance 2021 ("MCCG 2021") and any other applicable laws or regulatory requirements.

3. THE BOARD

3.1 Membership

As set out in the Company's Constitution, unless otherwise determined by the Company at a general meeting, the number of Directors shall not be less than two (2) and not more than twenty (20) Directors.

The Board comprising a balance of executive and non-executive directors shall possess a broad range of skills, expertise and experience from a diverse background (including gender, ethnicity, cultural background and age).

The size, composition and diversity of the Board (i.e. skill sets, experience, functional knowledge, ethnicity, age and gender) shall be reviewed by the Nominating Committee, and determined from time to time to reflect the Company's requirements and objectives, and to facilitate effective and balanced discussion and decision-making at the Board level.

Each Director shall devote sufficient time and effort to carry out the responsibilities and duties as a Director of the Company and shall not hold more than five (5) directorships in listed issuers.

In accordance with the Main Market Listing Requirements, at least two (2) or one third (1/3) of the Board members, whichever is higher, shall be independent directors who will provide independent judgement and objectivity. In addition, the Board's composition shall also comply with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") in that at least half of the Board members are Independent Directors. The Board (through the Nominating Committee) shall conduct an annual assessment of the independence of the independent directors.

The Board shall appoint a senior independent director to whom concerns relating to the Company and the Group can be conveyed.

No former key audit partner to the Group's audit shall be appointed as a member of the Audit and Risk Management Committee except for after a cooling off period of at least three (3) years.

No alternate director is appointed as a member of the Audit and Risk Management Committee.

3.2 Chairman, Managing Director and other Directors

Both the Chairman and the Managing Director ("MD") have distinct and separate roles. The Chairman is responsible for effective operation and performance of the Board including leading the Board in its collective oversight of management whilst the MD is responsible for the day-to-day management of the Group.

The Chairman is appointed by the Board to ensure that there is accountability on the execution of the Chairman's role and the role of the Board. The Chairman will preside at all Board meetings and general meetings of the Company and will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted. The Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The duties and responsibilities of the Chairman of the Company are as set out in the Corporate Governance Guide of the MCCG 2021 which are as follows:

1) providing leadership for the board so that the board can perform its responsibilities effectively;
2) setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
3) leading board meetings and discussions;
4) encouraging active participation and allowing dissenting views to be freely expressed;

5) managing the interface between board and management;
6) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and
7) leading the board in establishing and monitoring good corporate governance practices in the Company.

The Chairman of Board shall not be a member of the Audit and Risk Management Committee, Nominating Committee or Remuneration Committee to ensure that there is a check and balance as well as objective review by the Board.

The MD holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. The MD leads the senior management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group.

The presence of the independent directors is to provide the required check and balance on the decision making process of the Board. The significant contributions of the independent directors in the decision making process is evidenced in their participation as members of the various committees of the Board.

Non-executive directors are not involved in the day-to-day management of the Group but they will contribute their particular expertise and experience in developing the business strategy. Their various roles in the Board Committees also contribute towards the enhancement of corporate governance and controls within the Group.

3.3 Qualifications of Directors

No person shall be appointed or allowed to act as a director of the Company or be involved whether directly or indirectly in the management of the Company, including acting in an advisory capacity in relation to the Company, if he:

(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, corruption, 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 or the corporations laws of the company's place of incorporation, within a period of 5 years from the date of conviction or if sentenced to imprisonment from the date of release from prison, as the case may be; or

(d) has been convicted of a money laundering offence under Section 4 of the AMLATFA (Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001).

3.4 Appointments and Re-elections

The Nominating Committee (and the Remuneration Committee, where relevant) shall assist the Board in identifying and recommending suitable potential candidates with the relevant experience required

(including gender diversity) for appointment as a director and for approval by the Board thereafter. Any new director so appointed shall be subject to re-election at the next annual general meeting ("AGM") held immediately following the appointment.

At each AGM of the Company, one third (1/3) of the Board shall retire and be eligible for re-election and that all directors shall submit themselves for re-election once every three (3) years.

Further, all Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

The evaluation of the Board and each individual director, including the Chairman, will be performed annually.

All members of the Board shall be assessed based on the Company's Directors Fit and Proper Policy to ensure that they have the necessary qualities, competencies, experience and time commitment that allows them to perform their duties and carry out their responsibilities as Directors in the most effective manner. They are expected to disclose any actual or potential conflict of interest that have arisen or may arise, and these declarations will be reviewed and assessed by the Audit and Risk Management Committee.

In line with Guidance issued under the Malaysian Code of Corporate Governance 2021 ("MCCG 2021"), no person in active politics shall be appointed as a Director of the Company.

3.5 Independent Directors

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 of its related corporation

(b) has not been within the last three (3) years and is not an officer (except as a non-executive director) of the said Corporation. For this purpose, "**officer**" has the meaning given in Section 2 of the Companies Act 2016 ("**CA 2016**");

(c) is not a major shareholder 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 applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities.

(h) has not served as an independent director in any one or more of the said Corporation for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

An Independent Director shall, upon his appointment, give to Bursa Securities a letter of confirmation that he is an Independent Director as defined under Paragraph 101 of the Main Market Listing Requirements of Bursa Securities.

3.6 Tenure of Independent Director

Where the tenure of independent director exceeds a cumulative term of nine (9) years, the Board shall make recommendation and provide justifications and to seek shareholders' approval via the two-tier voting process at the annual general meeting should it wish to retain the director as an independent director. Alternatively, the independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director.

All long serving independent directors of up to 12 years of service must resign or be re-designated as a non-independent director.

3.7 Senior Independent Director.

Where the Board appoints a Senior Independent Director (SID), the role of the SID may include the SID 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.

3.8 Directors' Training

All directors shall attend such training programme as may be prescribed by Bursa Securities from time to time;

All newly appointed directors will be briefed on the structure and the business activities of the Group and must attend within 3 months of appointment the Mandatory Accreditation Programme ("MAP 1") as required under the Main Market Listing Requirements ("MMLR") of Bursa Securities. All Directors

are also required to attend the Sustainability Training for Directors ("MAP 2") as required by the MMLR.

The Board considers continuous training for directors as important for directors to effectively discharge their duties. In this respect, the Board shall on a continuous basis, evaluate and determine the training needs of its directors. The subject matter of training shall be one that aids the director in the discharge of his duties as director.

All directors are, therefore, required to attend continuous education or suitable training programme each year to ensure that each director receives regular briefings and updates on changes in risks, laws and regulations (including AMLA), economic scenario and the industry climate affecting the business, and to continuously upgrade their knowledge and understanding of their roles and responsibilities as directors.

A statement on the training attended by the directors which includes the following information shall be disclosed in the annual report:

(a) the board has undertaken an assessment of the training needs of each director;

(b) a brief description of the type of training that the directors have attended for the financial year; and

(c) in exceptional circumstances where any director has not attended any training during the financial year, valid justification for the non-attendance of each director must be recorded.

4. DUTIES AND RESPONSIBILITIES

A Director of the Company shall in accordance with the Companies Act 2016 at all times exercise his powers for a proper purpose and in good faith in the best interest of the company and shall act honestly and exercise reasonable care, skill and diligence, in the discharge of his duties with the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities and any additional knowledge, skill and experience which the director in fact has and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper benefit or advantage for himself or for any other person or to cause detriment to the company.

A Director shall at all times avoid conflicts of interest, and shall as soon as practicable after the relevant facts have come to his / her knowledge, declare the nature of his or her interest at a meeting of the Directors of the Company. Every Director shall give notice to the company of such events and matters relating to his or her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Companies Act 2016.

The duties and responsibilities of the Directors include, inter-alia, the following:-

(1) Promote together with senior management good corporate governance culture within the Company which requires ethical, prudent and professional behaviour.

(2) Oversee and monitor the conduct of the businesses and financial performance of the Company and the Group;

(3) Review, challenge and decide on management's proposals for the Company, and monitor its implementation by Management.

(4) Review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;

(5) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environment and social consideration underpinning sustainability.

(6) Review and approve any major corporate proposals, new business ventures or joint ventures of the Group as well as material acquisitions and disposal of undertakings and/or assets in the Group;

(7) Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks;

(8) Understand the principle risks of the Company's business and recognise that business decisions involve the taking of appropriate risks.

(9) Review and determine the adequacy and integrity of the internal control and management information systems of the Company and the Group;

(10) Establish and oversee a succession planning programme for the Company and the Group including the remuneration and compensation policy thereof;

(11) Supervise and assess management performance to determine whether the business is being properly managed.

(12) Establish, review and implement corporate communication policies with the shareholders and investors, other key stakeholders and the public;

(13) Develop a corporate Code of Conduct and Ethics to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management, prevent the abuse of power, corruption, insider trading and money laundering, encourage the reporting of unlawful or unethical behaviour, protect and ensure the proper use of the Company's assets and ensure compliance with laws, rules and regulations.

(14) Establish the Group's policy on anti-corruption and anti-bribery, and the policy and procedures on whistle-blowing, and implement them together with Management the policies and procedures promoting better governance culture and ethical behaviour within the Group, and placing greater emphasis on corruption as part of the Group's annual risk assessment and providing the Group with a defence against the corporate liability under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 by ensuring that the Group has established and implemented adequate procedures to prevent the occurrence of corrupt practices.

(15) Review the policies and procedures on anti-corruption and the policies and procedures on whistle-blowing periodically to assess their effectiveness and in any event, at least once every 3 years, and to

ensure that its whistleblowing policies set up avenues where legitimate concerns can be objectively investigated and addressed.

5. BOARD COMMITTEES

The Board may from time to time establish appropriate Committees to assist it in the discharge of its responsibilities. While the Board may appropriately delegate its authority to Committees or Management, it will not abdicate its responsibility and will at all times exercise collective oversight of the committees or management. The Board will not delegate matters to a committee or management to the extent that would significantly widen or reduce the Board's ability to discharge its functions.

The Committees that have been established by the Board are as follows:-

a) Audit and Risk Management Committee
b) Nominating Committee
c) Remuneration Committee

The Company does not have a Risk Management Committee, but the oversight of the risk management functions is the responsibility of the Audit and Risk Management Committee, and the Board as a whole.

Each Committee has its own specific terms of reference as approved by the Board. The powers and authority delegated to these Committees are also set out in the terms of reference of each of the Committees. The terms of reference of the Committees will be reviewed annually and amended accordingly after approval by the Board. The terms of reference of the Audit and Risk Management Committee, Nominating Committee and the Remuneration Committee are found in the Company's website at www.keinhing.com.

The Board may also establish and delegate specific functions to ad hoc committees as and when required.

The evaluation of the committees and its members, including the Chairman thereof, will be performed annually by the Nominating Committee. In particular, the Nominating Committee will review the terms of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.

6. ISSUES AND DECISIONS RESERVED FOR THE BOARD

Key matters reserved for the Board for decision include the following:

- Set and review limits of authority and clearly defined roles and terms of reference for the various Board Committees, the Executive Directors and any senior management personnel.
- Establishment, acquisition or disposal of businesses
- Declaration of dividends
- Approval of accounting policies of the Group and the financial statements
- Capital investments and disposal of tangible assets
- Borrowings/financing for the Group's activities
- Corporate restructuring or exercises

- Change of name of any subsidiary companies within the Group
- Approving changes to corporate organization structure
- Approving policies relating to corporate branding, public relations, investors relation and shareholder communication programs.

Regular matters tabled for the Board's information and deliberation for the year include business performance updates, unaudited quarterly results, reports on operations from operational divisions, business plan and budget, dealings by directors on the Company's securities, regulatory updates, human resource related updates, new business developments and other potential businesses amongst other non-regular items which comprise corporate proposals and projects.

7. BOARD MEETINGS

Meetings of the Board will be held as frequently as the Board considers appropriate in order to discharge its duties as set out in this Charter but it will normally meet not less than four (4) times a year. Any Board member may call for further meetings, if required. Reasonable notice of meetings and the business to be considered shall be given to members of the Board. The proceedings of the Board will be governed by the Company's Constitution. The Chairman, at his discretion, may invite the senior management or other senior executives or professional advisers to attend and to be heard at the Board meetings.

Board members must attend all scheduled meetings of the Board, including meetings called on an ad-hoc basis for special matters unless prior notice, with reasons, has been submitted to the Chairman or Company Secretary. However, if a Director is absent from 50% of the total number of Board of Directors' Meetings held during a financial year, the office of the Director may be vacated in accordance with Paragraph 15.05 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. If the Chairman of the Board is absent from a meeting, the directors present must elect one of the directors present to act as chairman.

A detailed agenda, together with the supporting documentation, must be circulated, in advance of each meeting to the members of the Board and other invitees. Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion and decisions.

The Company Secretary is the Secretary to the Board and shall take minutes of the meetings. The minutes must be completed as soon as possible after the meeting and circulated to the Chairman and members of the Board for review thereof. The minutes must be formally confirmed by the Board at its next scheduled meeting.

8. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Board shall have unrestricted access to all Company's information, documents, records and property.

The Board will ensure that every Board member has access to independent professional advice, both inside and outside the Company, as and when they consider necessary, in order for them to properly perform their duties.

9. COMPANY SECRETARY

The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. The roles and responsibilities of the Company Secretary include, but are not limited to the following:

- Assisting the Chairman to manage all Board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications;
- Advise the Board on its roles and responsibilities;
- Facilitate the orientation of new Directors and assist in Directors' training and development;
- Advise the Board on corporate disclosures and compliance with the Company and securities' regulations and listing requirements;
- Manage processes pertaining to the annual shareholders' meeting including attendance at the shareholders' meeting and recording the minutes of the meeting thereof;
- Monitor corporate governance developments and assist the board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- Serve as a focal point for stakeholders' communications and engagement on corporate governance issues.

10. DIRECTORS' CODE OF CONDUCT AND ETHICS

10.1 The Board is required to observe the Directors' Code of Conduct and Ethics as follows:-

(a) A director must act honestly, in good faith and in the best interest of the Company as a whole.

(b) A director has to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.

(c) A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.

(d) A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.

(e) A director must not make improper use of information acquired as a director.

(f) A director must not take improper advantage of the position of director.

(g) A director must not allow personal interests, or the interest of any related parties, to be in conflict with the interests of the Company.

(h) A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.

(i) Confidential information received by a director in the course of the exercise of his duty and responsibility as a director of the Company remains the property of the Company and it is improper to

disclose or use it, or allow it to be disclosed or used, unless that disclosure or use has been authorised by the Company, or the person from whom the information is provided, or is required by law.

10.2 The Directors' Code of Conduct and Ethics can be viewed at www.keinhing.com.

11. ADOPTION AND REVIEW OF CHARTER

This Board Charter was adopted by the Board on 26 September 2014, and last reviewed on 26 March 2026 (Revision No. 0012).

The Board will review the Board Charter annually to ensure that it remains relevant and consistent with the Board's roles and objectives and to ensure that the Company is able to adapt to changing business circumstances and to reflect the continuous requirements of the Company to meet its commitment to good corporate governance practices and applicable laws. The Board Charter is published on the Company's website at www.keinhing.com in line with Practice 2.1 of the MCCG 2021.