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

ANTI-CORRUPTION POLICY

1. **Introduction**

Kein Hing International Berhad ("**KHIB**") and its subsidiaries (collectively referred to as the "**Group**") is committed to conducting business transparently, honestly and with integrity. The Group has a zero tolerance to all forms of bribery and corruption. The Group will take reasonable and appropriate measures to ensure that its businesses do not participate in corrupt activities (i.e. gives, agrees to give, promises or offers to any person any gratification) for its advantage or benefit in order to obtain or retain business or advantage.

The Group will abide by the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACC Act**"). The provision of **Section 17A** under the MACC Act which comes into effect on 1 June 2020 establishes the principle of a commercial organisation's criminal liability ("**Corporate Liability**") for the corrupt practices of its employees and/or any person(s) associated with the commercial organisation in cases where such corrupt practices are carried out for the organisation's benefit or advantage.

***Corporate Liability**, among others, includes the following:*
*The commercial organisation may be liable whether or not its top-level management and/or representatives had actual knowledge of the corrupt acts of its employees and/or associated persons. Any commercial organisation who commits an offence under Section 17A under the MACC Act shall on conviction be **liable to a fine of not less than ten times the sum or value of the gratification** which is the subject matter of the offence, where such gratification is capable of being valued or is of pecuniary nature, **or one million ringgit (RM 1,000,000.00), whichever is the higher, or to imprisonment for a term not exceeding twenty years or to both**.*

*Duty To Report Bribery Transactions (**Section 25 of MACC Act 2009**).*
25. (1) Any person to whom any gratification is given, promised, or offered, in contravention of any provision of this Act shall report such gift, promise or offer togher with the name, if known, of the person who gave, promised or offered such gratification to him to the nearest officer of the Commission or police officer.

(2) Any person who fails to comply with subsection (1) commits an offence and shall on conviction be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a term not exceeding ten years or to both.

(3) Any person from whom any gratification has been solicited or obtained, or an attempted has been made to obtain such gratification, in contravention of any

provision this Act shall at the earliest opportunity thereafter report such soliciting or obtaining of, or attempt to obtain, the gratification together with the full and true description and if known, the name of the person who solicited, or obtained, or attempted to obtain, the gratification from him to the nearest officer of the Commission or police officer.

(4) Any person who fails, with reasonable excuse, to comply with subsection (3) commits an offence and shall on conviction be liable to a fine not exceeding ten thousand ringgit or to imprisonment for a term not exceeding two years or to both.

2. Objective

The objective of this Anti-Corruption Policy is to:

2.1 provide information and guidance to the Directors, management and employees of the Group and associated persons on standards of behaviour to which they must adhere to and how to recognise as well as deal with corruption;

2.2 set out the Group's responsibilities, and the responsibilities of those working for or with the Group in observing and upholding the Group's position on corruption;

2.3 ensure that the Group has **adequate procedures** (please refer to the "***Note***" below) in place to prevent and detect corruption; and

2.4 protect the Group against the possible penalties and repercussions resulting from acts of corruption or being associated with such behaviour.

Note:
*In the event that a commercial organisation is found liable under Section 17A of the MACC Act, the provision provides that the organisation having **adequate procedures** can raise it as a defence against the Corporate Liability. In this regard, the organisation must prove that the necessary procedures were in place to prevent its employee(s) and/or associated persons from undertaking corrupt practices in relation to its business activities.*

3. Applicability

This Anti-Corruption Policy is applicable to all Directors, officers, employees, technical and other consultants, contractors, distributors, vendors, suppliers, agents, joint-venture partners or any other person associated with or acting on behalf of the Group, wherever located, without exception and without regard to local practices or customs or competitive conditions. This Policy also applies equally to the Group's

business dealings with commercial ("private sector") and government ("public sector") entities, and includes interactions with their directors, employees, agents and other appointed representatives at all levels. The examples given in this Policy do not limit the scope of this Policy which may be extended to cover all incidences of bribery and corruption.

4. Definition of Corruption and Gratification

Corruption is the act of giving or receiving of gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his or her job description.

The definition of gratification under the MACC Act is as follows:

(a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property of any description whether movable or immovable, financial benefit, or any other similar advantage;
(b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
(d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
(e) any forbearance to demand any money or money's worth or valuable thing;
(f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
(g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f) above.

5. Top Level Commitment

The full Board of Directors of KHIB (the "**Board**") and management of the Group are committed to implementing and enforcing effective and robust policies and procedures to prevent, monitor and eliminate corruption and to the continual improvement of the Group's anti-corruption system.

With top level commitment, the Group will carry out the following:

(a) issue instructions on communicating the Group's policies and commitments on anti-corruption to both internal and external parties;

(b) encourage the use of any reporting (**whistleblowing**) channel in relation to any suspected and/or real corruption incidents or inadequacies in the anti-corruption compliance programme;
(c) assign and adequately resource a competent person or function (which may be external to the Group) to be responsible for all anti-corruption compliance matters, including provision of advice and guidance to personnel and business associates in relation to the corruption programme;
(d) ensure that the lines of authority for personnel tasked with responsibility for overseeing the anti-corruption compliance programme are appropriate; and
(e) ensure that the results of any audit, reviews of risk assessment, control measures and performance are reported to the management, including the Audit and Risk Management Committee and the Board, and acted upon.

6. Risk Assessment

The Group will review the anti-corruption policies and procedures, and the policies and procedures on whistleblowing at least once a year to assess their effectiveness or when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the Group. The Group will also conduct annual risk assessment on the corruption risk of the Group. This risk assessment will form the basis of the Group's anti-corruption efforts and will be used to establish appropriate processes, systems and controls approved by the Board and management to mitigate the specific corruption risks the business is exposed to.

The risk assessment may include the following:

(a) opportunities for corruption and fraud activities resulting from weaknesses in the Group's governance framework and internal systems/procedures;
(b) financial transaction that may disguise corrupt payments;
(c) business activities in countries or sectors that pose a higher corruption risk;
(d) non-compliance of external parties acting on behalf of the Group regarding legal and regulatory requirements related to anti-corruption. Noted that, given the wide definition of an associated person, the Group can be liable for the acts of such third parties; and
(e) relationships with third parties in its supply chain (for example, agents, vendors, contractors and suppliers) which are likely to expose the Group to corruption.

The risk assessment for corruption will be done on a stand-alone basis, but such corruption risk may also be incorporated into the general risk register of the Group.

7. Undertake Control Measures

7.1 In order to address any corruption risk arising from weaknesses in the Group's governance framework, processes and procedures, the Group will put in place the appropriate controls and contingency measures.

7.1.1 Due diligence

The Group will establish key consideration or criteria for conducting due diligence on any relevant parties or personnel (including the Board, management, employees, agents, vendors, contractors, suppliers, consultants and senior public officials) prior to entering into any formalised relationships. Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where corruption risk has been identified.

7.1.2 Reporting channel

The Group will establish an accessible and confidential trusted reporting channel (whistleblowing), which may be used anonymously, for internal and external parties to raise concerns in relation to real or suspected corruption incidents or inadequacies of the anti-corruption programme.

The Group will establish a secure information management system to ensure the confidentiality of the whistle-blower's identity and the information reported; and prohibit retaliation against those making reports in good faith.

7.1.3 Conflicts of interest

Conflicts of interest arise in situations where there is a personal interest that might be considered to interfere with the person's objectivity when performing duties or exercising judgement on behalf of the Group. Employees should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties. Employees must not use their position, official working hours, Group resources and assets for personal gain. When confronted with a situation of conflicts of interest, Employees must inform the Senior Management or the Senior Independent Director and disclose their areas of conflict of interest immediately.

7.2 Guidance on common forms of bribery and corruption

7.2.1 Gifts, entertainment, hospitality and travel

As a general principle, the Board, management and employees of the Group should not accept or give a gift to a third party if it is made with the intention of influencing the third party to obtain or retain business, or in exchange of favours or benefits.

The test to be applied is whether in all the circumstances the gift or entertainment is reasonable and justifiable rather than lavish and extraordinary; bearing in mind that what may normally be viewed as small or insignificant in some countries can be of significant value in another. The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return.

The giving of gifts and corporate hospitality or entertainment is not prohibited, if the following requirements are met:

- it is not with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with law;
- it does not include cash or cash equivalent;
- taking into account the reason for the gift or entertainment, it is of an appropriate type and value in the applicable country/region and given at an appropriate time; and
- it is given openly, not secretly.

7.2.2 Donations and sponsorships (including political donations)

Any charitable contribution or sponsorship made or offered on behalf of the Group must:

- not be related to, dependent on, or made in order to win, or influence, a business deal or decision;
- be given directly to the relevant charity or organisation and not to an individual; and
- only be given with the prior consent of the Managing Director of the Group.

Subject to any prevailing law that governs political contribution, the Group may make contribution to political parties or candidates. All political contributions require approval from the Managing Director of the Group.

7.2.3 Facilitation payments and kickbacks

The Group does not make facilitation payments or “kickbacks” of any kind. Facilitation payments are typically unofficial payments made to secure or expedite a routine government action by a government

official. Kickbacks are typically payments made in return for a business favour or advantage and can include discounts or other types of cash incentives.

The Board, management and employees of the Group shall not promise or offer, or agree to give or offer, facilitation payments to an officer of any public body.

All third parties, including consultants, contractors, vendors, suppliers, joint-venture partners and agents should be made aware of this policy and the arrangement with them shall be subject to clear contractual terms, including specific provisions requiring them to comply with minimum standards and procedures relating to bribery and corruption.

7.3 Record Keeping

The Group will keep financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to third parties. The management must ensure that all expense claims relating to entertainment, gifts or expenses incurred are submitted in accordance with the Group's expense policy and specifically record the reason for the expenditure. The Management is mandated to establish and maintain accurate books and records as well as adequate measures to prevent corrupt practices.

All accounts, invoices, and other similar documents and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

8. Systematic Review, Monitoring and Enforcement

The Board and management will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvement identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

For this purpose, the Group will perform the following:

(a) identify the competent person(s) to perform an internal audit in relation to the Group's anti-corruption measures;

(b) conduct continual evaluations and improvements on the Group's policies and procedures in relation to corruption;
(c) monitor the performance of personnel in relation to any anti-corruption policies and procedures to ensure that their understanding and compliance with the Group's stance in their respective roles and functions; and
(d) conduct disciplinary proceedings against personnel found to be non-compliant to the programme.

9. Training and Communication

Training on this Policy forms part of the induction process for all new Directors, new employees and third parties. All existing employees will receive regular, relevant training on how to implement and adhere to this Policy and to continuously practice integrity and ethics. The training will cover this Policy, reporting channel (whistleblowing) and consequences of non-compliance.

The Group's robust approach to bribery and corruption will also be communicated to all third parties at the outset of the Group's business relationship with them and as appropriate thereafter.

This Anti-Corruption Policy is available at the Group's website www.keinhing.com.

10. Compliance to the Law

The Group will comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdictions within which the Group operates. The Board, management and employees of the Group are expected to understand and comply with the MACC Act. The Group reserves the right to report any action or activity suspected of being criminal in nature to the police or other relevant authorities.

In the case of conflict between mandatory law and the principles contained in this Policy, the law shall prevail.

11. Adoption and Review of the Policy

The Group is committed to continually improving its policies and procedures relating to anti-bribery and anti-corruption.

This Anti-Corruption Policy has been adopted by the Board on 26 March 2020, and last reviewed on 26 March 2026 (Revision No. 0006).

The Board will review this Policy annually to ensure that it continues to remain relevant and appropriate.