KEIN HING INTERNATIONAL BERHAD

[Registration No. 200301013636 (616056-T)]

(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Committee ("AC") was established on 6 December 2004 to serve as an AC of the Board of Directors of the Company. In line with the recommendation of the Malaysian Code on Corporate Governance, the AC which has been assisting the Board of Directors of the Company in carrying out, among others, the responsibility of overseeing the Company's and the Group's risk management framework and policies was renamed as Audit and Risk Management Committee ("ARMC") on 28 March 2019.

Objective

The Audit and Risk Management Committee shall:

a) assist the Board of Directors in fulfilling its fiduciary responsibilities relating to accounting and reporting practices of the Company and the Group;

b) oversee and appraise the quality of the audits conducted both by the Company's internal and independent auditors including reviewing their audit plans;

c) maintain open lines of communication between the Board of Directors, the internal auditors and the independent auditors for the exchange of views and information, as well as to confirm their respective authorities and responsibilities including meeting the independent auditors at least once a year, without the presence of the executive directors and management;

d) determine the adequacy of the Group's administrative, operating and accounting controls;

e) assist the Board of Directors in implementing the objectives outlined in the Risk Management Policy, reviewing and monitoring the existing risk profile and status of completion of action plans;

f) review the annual Sustainability Statements alongside the financial statements, ensuring consistency between financial disclosure and climate-related financial disclosures; and

g) assist the Board of Directors in implementing and enforcing effective and robust anti-corruption policies and procedures to prevent, monitor and eliminate corruption and to the continual improvement of the Group's anti-corruption system.

Members

a) The Audit and Risk Management Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise not less than (3) members, all of whom must be Independent Directors, ensuring unbiased oversight.

b) At least one (1) member of the Audit and Risk Management Committee:
   i) must be a member of the Malaysian Institute of Accountants; or
   ii) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:-
      - he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      - he/she must be a member of one (1) of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
      - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

c) No Alternate Director shall be appointed as a member of the Audit and Risk Management Committee.

d) No former key audit partner shall be appointed as a member of the Audit and Risk Management Committee unless he has observed a cooling period of at least three (3) years.

e) The members of the Audit and Risk Management Committee shall elect a Chairman from among their number who shall be an Independent Director. The Chairman of the Audit and Risk Management Committee shall not also be the Chairman of the Board.

f) The Audit and Risk Management Committee shall collectively possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit and Risk Management Committee including the financial reporting process.

g) All members of the Audit and Risk Management Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

h) The Nominating Committee must review the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.

i) If a member of the Audit and Risk Management Committee resigns, dies or for any other reason ceases to be a member with the result that the number of

members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Authority

The Audit and Risk Management Committee in the course of discharging its duties shall, whenever necessary and reasonable for its performance and in accordance with a procedure to be determined by the Board of Directors and at the Company's cost:-

a) have authority to investigate any matter within its Terms of Reference;
b) have the necessary resources to perform its duties;
c) have full and unrestricted access to any information pertaining to the Company;
d) have direct communication channels with the independent auditors and person(s) carrying out the internal audit function or activity (if any);
e) be able to obtain independent professional advice or other advice; and
f) be able to convene meetings with the independent auditors, internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Functions

The Audit and Risk Management Committee shall discharge the following functions:

a) review the following and report the same to the Board of Directors of the Company:

   i) with the independent auditors, the audit plan;

   ii) with the independent auditors, his evaluation of the system of internal controls;

   iii) with the independent auditors, his audit report;

   iv) to monitor developments in the independent audit field and standards issued by professional bodies and other regulatory authority;

   v) to assess the suitability, objectivity and independence of the independent auditors;

   vi) with the Risk Management Co-ordinator, the quarterly risk management report;

   vii) with the Anti-Corruption Task Force, the yearly anti-corruption risk report;

   viii) the assistance given by the employees of the Group to the independent auditors;

v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work at various controlled entities or subsidiaries;

vi) the internal audit plan, processes, the results of the internal audit assessment, investigation undertaken and whether or not appropriate action is taken on the recommendations;

vii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
- changes in or implementation of major accounting policy changes;
- significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how those matters are addressed; and
- compliance with accounting standards and other legal requirements;

viii) any related party transaction;

ix) any letter of resignation from the independent auditors of the Company;

x) assess the suitability, objectivity and independence of the independent auditors and whether there is reason (supported by grounds) to believe that the Group 's independent auditors are not suitable for re-appointment;

xi) identify and evaluate of new strategic risks including corporate matters (e.g. Regulatory, Business Development) and key operational risks;

xii) review the provision of non-assurance services by the independent auditors to ascertain whether such provision of services would impair the independent auditor's independence or objectivity, and if deemed fit, pre-approve the list of non-assurance services that may be provided by the independent auditors without the need for the independent auditors to seek specific pre-approval from the Audit and Risk Management Committee; and

xiii) review the allocation of options or shares pursuant to a Share Issuance Scheme (if any);

xiv) review of Conflict of Interest ("COI") situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity including those that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate or mitigate the COI together with the disclosure of a summary of any COI or potential COI within the listed issuer or group that it has reviewed (excluding related party transactions), and the measures taken to resolve, eliminate or mitigate such conflicts, in its ARMC report.

b) recommend the nomination of a person or persons as independent auditors;

c) prepare an Audit and Risk Management Committee Report at the end of each financial year;

d) report promptly to Bursa Securities where the Audit and Risk Management Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Bursa Securities' Listing Requirements; and

e) any other functions as may be agreed to by the Audit and Risk Management Committee and the Board of Directors.

Attendance and Meeting

a) The Audit and Risk Management Committee shall be chaired by a Chairman who is an independent Director.

b) The quorum required for the Audit and Risk Management Committee meeting shall be at least two (2) members who must be independent directors.

c) Apart from the members of the Audit and Risk Management Committee who will be present at the meetings, the Audit and Risk Management Committee may invite any member of the management, employees of the Company, other Directors and representatives of the independent auditors to be present at meetings of the Audit and Risk Management Committee.

d) The Audit and Risk Management Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. In addition, the Chairman may call a meeting of the Audit and Risk Management Committee if a request is made by any Audit and Risk Management Committee member, the Company's Managing Director, or the internal auditors or independent auditors.

e) The Audit and Risk Management Committee shall meet with the independent auditors without the presence of the Executive Directors and Management at least once (1) in the financial year.

Minutes

Minutes of each Audit and Risk Management Committee meeting shall be prepared and sent to its members for their review within a reasonable time. The Secretary shall also circulate the minutes of meetings of the Audit and Risk Management Committee to all members of the Board of Directors prior to the Board of Directors' Meeting.

Secretary

The Company Secretary of the Company and/or his assistant shall be the Secretary of the Audit and Risk Management Committee who shall be in attendance and shall record the proceeding of the meeting.

Retirement and Resignation

In the event of any vacancy in an Audit and Risk Management Committee resulting in the non-compliance of paragraphs 15.09(1) and 15.10, the Company must fill the vacancy within three (3) months.

Location

The Terms of Reference of the Audit and Risk Management Committee can be assessed at the Company's website at www.keinhing.com.

(Date of review: 25 June 2026)