

CODE OF ETHICS AND CONDUCT

1. OBJECTIVES

- 1.1 This Code of Ethics and Conduct sets forth the standards of conduct required for all directors, officers, managers and employees of Kein Hing International Berhad and its Group of Companies (i.e. KHIB Group) with the objective of ensuring their proper behaviour and ethical conduct.
- 1.2 This Code is not intended to be exhaustive, and there may be additional obligations or other relevant policies and procedures that directors and employees are expected to comply with when performing their duties.
- 1.3 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that embraces integrity, transparency and fairness. The intention is for the Board, management, employees and other stakeholders to be clear on what is considered acceptable behaviour and practice in the KHIB Group.
- 1.4 For all intents and purposes, all directors and employees shall always observe and comply with all applicable laws, rules and regulations to which they are bound to observe in the performance of their duties, both in letter and in spirit.

2. TERMS AND INTERPRETATION

In this Code if not inconsistent with the subject or context:-

- 2.1 "Assets" include tangible assets such as buildings, machineries, equipment, facilities, materials, resources, vehicles, tooling of customers under the Group's custody, cash and deposits as well as intangible assets such as goodwill, proprietary information, software and technical know-how, etc.
- 2.2 "Company" means Kein Hing International Berhad ("KHIB").
- 2.3 "Confidential Information" means information and data that must be secured, protected and not shared with any unauthorized party, including but not limited to technical know-how, customers' confidential data, proprietary information, accounting information, trade practices and pricing policies, tender procedures, internal control and security procedures, personnel information.
- 2.4 "Conflict of interest" exists when a person's private interest (including that person's family members and/or affiliates) interferes or is perceived to interfere, with the interests of the Group or the customers or suppliers of the Group.
- 2.5 "Group" means KHIB and its Group of Companies which includes subsidiary companies and associate corporations.
- 2.6 "Personnel" means all directors, officers, managers and employees (whether full time, probationary, contract or temporary staff) of the Group and may in accordance to the circumstance include "Associates" which is defined as Directors, employees, partners and persons who performs services which includes agents, contractors, distributors, suppliers, potential joint-venture partners of the Group.

3. APPLICABILITY OF THIS CODE

- 3.1 This Code is applicable to all Personnel and each of them has a duty to read, understand and uphold this Code. Failure to read or understand this Code will not excuse anyone from violations which may result in disciplinary action, including termination of employment.
- 3.2 Associates such as contractors or consultants who are the Group's agents or working on the Group behalf or in the name of the Group, through outsourcing of services, processes or any business activity, will be required to act consistently with this Code when acting on behalf of the Group. Associates will be made aware of this Code as it applies to the Group's staff in their dealings with them.
- 3.3 Wherever Personnel require further clarification on this Code, they may obtain advice from their immediate superiors and where appropriate, request advice from members of the senior management, Directors or the Audit Committee.
- 3.4 Where relevant, this Code should be read in conjunction with the relevant policies and procedures of the Group which are currently in place.

4. STANDARDS OF CONDUCT

4.1 INTEGRITY

- 4.1.1 Personnel are expected to carry out their duties with personal and professional integrity and to exercise reasonable care, skill and diligence in discharging their duties and responsibilities.
- 4.1.2 Personnel must not accept either directly or indirectly any undue pecuniary or other advantage for the purpose of obtaining, directing or securing any improper business advantage.

4.2 FAIR DEALINGS

- 4.2.1 All dealings with customers, suppliers, business partners, external parties or other third parties, potential or otherwise, shall be conducted with fairness, transparency and integrity in accordance with ethical business practices.
- 4.2.2 No bribes, kickbacks or other corrupt payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favourable action. Personnel must read this paragraph in conjunction with the Group's Anti-Corruption Policy.

4.3 CUSTOMER RELATIONSHIPS

- 4.3.1 All Personnel, while representing the Group, shall act to preserve and enhance the Group's reputation and goodwill built up over the years in domestic and international market.

4.4 PERSONAL BENEFITS

- 4.4.1 No Personnel including their family members may demand or accept personal benefits whether from customers, suppliers or business partners, external or other third parties.
- 4.4.2 Personal benefits include any item, in cash or kind, where there is a reasonable likelihood that the Personnel will be or will appear to have been improperly influenced in the performance of his/her duties to the Group.

4.4.3 The gifts, favours, entertainment or services that are deemed as not given to influence the performance of duties of Personnel include normal business courtesies (meals or entertainment), token gifts which are occasional, gifts during festive or special occasions and gifts from social functions attended by the Personnel on behalf of the Group, are permissible.

4.4.4 No Personnel shall accept any personal fee or commission for any work or advice in connection with the business of the Group.

4.5 CONFLICTS OF INTEREST

4.5.1 All Personnel should endeavour, be alert to and avoid situations that may present a potential or actual conflict between their interest and the interest of the Group or influence their judgment in the discharge of responsibilities.

4.5.2 All Personnel must not use their positions or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage, directly or indirectly.

4.5.3 All Personnel are required to disclose and discuss with their immediate superiors on any matter which may create conflicts between their personal interests and the interests of the Group.

4.6 CONFIDENTIALITY

4.6.1 All Personnel should exercise caution and due care to safeguard any information of a confidential and sensitive nature relating to the Group and its customers which is acquired in the course of their employment and are strictly prohibited to disclose to any person, unless the disclosure is duly authorized or legally mandated.

4.6.2 Personnel should promptly report to their immediate superiors any attempt by outsiders to obtain such confidential information or any unauthorized use or disclosure of such confidential information by other Personnel.

4.7 DEALING IN THE SECURITIES OF THE COMPANY

4.7.1 Except as specifically permitted by applicable law or regulation, Personnel should not trade in or deal with the Company's securities while they are in possession of material confidential information or price sensitive information that has not been publicly disclosed or share this information with someone else who then makes use of such information to trade in the Company's securities.

4.7.2 Personnel should also similarly avoid trading in or dealing with the securities of any other corporation of which they have obtained unpublicized material confidential information or price sensitive information as a result of their employment by the Group or share this information with someone else who then makes use of such information to trade in the Company's securities. Personnel must read this paragraph in conjunction with the Group's Corporate Disclosure Policy.

4.8 CORPORATE OPPORTUNITIES

4.8.1 Personnel should not take for themselves personally the opportunities that are discovered through the use of the property, information or position of the Group for personal gain or compete with the Group.

4.8.2 Personnel owe a duty to the Group to advance its legitimate interests when the opportunity to do so arises.

4.9 PRIVATE VENTURES

4.9.1 Personnel may have personal interests in outside corporation or establishment and perform external professional activities in their own time provided that such interests, whether direct or indirect, should not be in conflict with that of the Group and prior approval from the Group should be obtained.

4.10 PROTECTION OF ASSETS AND FUNDS

4.10.1 Personnel should protect the assets and funds of the Group against waste, loss, damage, misuse, theft or misappropriation to ensure availability for legitimate business purposes and no property, information or position belonging to the Group or opportunity arising from these be used for personal gain.

4.11 ACCURACY OF PUBLIC COMMUNICATIONS

4.11.1 All Personnel are encouraged and instructed to provide reliable and accurate data to, and otherwise assist, the Chairman and Managing Director to discharge their responsibilities to establish and maintain adequate and effective disclosure controls and procedures.

4.11.2 These controls are designed to provide assurances to the Group and its shareholders that disclosures of material information related to the Group in its periodic reports submitted to the relevant authorities and other public communications are true, accurate, consistent, timely and understandable.

4.12 COMPLIANCE TO THE LAW

4.12.1 All Personnel are expected to comply fully with the laws, rules and regulations of each country or other jurisdiction that are applicable to the Group and its business.

4.12.2 All Personnel should familiarize themselves with the legal standards and restriction applicable to their assigned duties and responsibilities.

4.12.3 The Group reserves the right to report any actions or activities suspected of being criminal in nature to the relevant authorities.

4.13 QUALITY MANAGEMENT & ENVIRONMENTAL MANAGEMENT

4.13.1 Most of the manufacturing sites of the Group were accredited with ISO 9001 which certified their quality management system, and ISO 14001 in respect of the environmental management system.

4.13.2 All Personnel are required to familiarize themselves with the Group's quality management system and environmental management system where related to their assigned duties and responsibilities, and uphold the standards.

4.14 HEALTH AND SAFETY

4.14.1 The Group will use its best endeavours to ensure a safe workplace and maintain proper occupational health and safety practices to commensurate with the nature of the Group's

businesses and activities and such a commitment in return requires that all Personnel understand and observe the Group's policies and procedures.

4.14.2 All Personnel are strictly prohibited from performing duties under the influence of alcohol, any illegal drug or any legal drug in an illegal manner.

4.15 FAIR AND COURTEOUS BEHAVIOR

4.15.1 The Group makes hiring decisions based solely on job related criteria without regard to race, religion, gender or on any other basis prohibited by law.

4.15.2 All Personnel should treat their fellow employees fairly and courteously without regard to gender, race, creed, religion, nationality, age or disability and shall not create any form of discrimination or prejudice in the workplace.

4.15.3 All forms of harassment, whether sexual, racial or for any other reason, are strictly forbidden.

4.15.4 The Group prohibits any act or behaviour against any Personnel or anyone else in the premises of the Group, that intimidates, threatens or causes harm to persons or property, or is violent in nature.

4.16 REPORTING OF POSSIBLE VIOLATIONS OF LAWS, RULES, REGULATIONS OR THIS CODE

4.16.1 Personnel who believe any law, rules, regulations or this Code may have been violated should raise the issue immediately with their immediate superior. If the issue is not resolved, the Personnel may refer to the Group's Whistleblowing Policy and follow the procedures and steps set out therein to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

4.16.2 Reports of possible violations of any laws, rules, regulations or this Code will be investigated by the Group and will be treated confidentially to the extent consistent with the Group's interests and its legal obligations, and remedied as appropriate.

4.16.3 Personnel are expected to cooperate in investigations of possible violations.

4.16.4 The Group prohibits reprisals for good faith reporting of actual or possible violations of any laws, rules, regulations or this Code. Retaliation in any form against any Personnel who report a possible violation, or who assist in the investigation of a possible violation, is itself a violation of this Code and will be disciplined appropriately.

4.16.5 If any Personnel believe that he/she has been retaliated against for reporting or assisting in an investigation under this Code, he/she should immediately report such perceived retaliation to the Audit Committee.

4.17 DISCIPLINE FOR VIOLATIONS

4.17.1 Personnel who violate either the letter or the spirit of this Code may be subject to disciplinary action, up to and including termination of employment, or legal action.

4.17.2 Violations of this Code can in some cases also result in violations of applicable law and expose the Group and the Personnel to government enforcement proceedings, including civil and criminal fines and imprisonment.

5. REVIEW OF THIS CODE

5.1 This Code shall be reviewed annually and updated in accordance with the needs of the Group and any new regulations that may have an impact on the discharge of duties and responsibilities by the Personnel.

5.2 Any subsequent amendment to this Code will require the approval by the Board of the Company.

5.3 Waiver of this Code may be granted by the Board of the Company on a case by case basis and only in extraordinary circumstances.

5.4 This Code was last reviewed on 24 September 2021.

6. LOCATION OF THIS CODE

6.1 The Code of Ethics and Conduct is published on the Company's website at www.keinhing.com.