

KECK SENG (MALAYSIA) BERHAD GROUP

Subject: External Auditors' Independence Policy	Policy No: 06-01
Applies to: External Auditors	Page: 1 of 4
Date: 25 November 2022	Approved by: Board of Directors

Objective:

To set the guidelines and procedures to ensure the suitability and independence of external auditors.

1) Introduction

The Board of Directors ("**Board**") recognises that the independence of the external auditors is a key governance issue of Keck Seng (Malaysia) Berhad ("**the Company**") and its subsidiaries ("**the Group**"). It has established the Audit Committee ("**AC**") to assist its oversight function in ensuring the integrity of the Group's financial statements as well in reviewing, assessing and monitoring the performance, suitability, objectivity and independence of the external auditors to safeguard the quality and reliability of audited financial statements.

2) Selection and Appointment

The AC is entrusted with the duty to oversee the appointment, remuneration and removal of the external auditors. The following are the procedures for selection and appointment of new external auditors:-

- a) identify the audit firms that meet the appointment criteria or to consider notice of nomination received from shareholders (as the case may be) and request for their proposals of engagement for consideration;
- b) assess the proposals received and shortlist the audit firms;
- c) interview the shortlisted audit firms;
- d) recommend to the Board the suitable audit firms for appointment as external auditors; and
- e) the Board will, if deemed appropriate, endorse the recommendation of the AC and approve the appointment of new external auditors. Any external auditors appointed as such shall hold office until the conclusion of the next Annual General Meeting ("**AGM**").

The AC may delegate or seek assistance from the Managing Director or any other Senior Management personnel to perform the abovementioned steps a) to c) above.

3) Competency and Resources

When considering an appropriate audit firm for recommendation to the Board, the AC will consider the following:

- a) reputation of the audit firm;
- b) qualification of its professionals;
- c) size, resources and geographical coverage of the audit firm;
- d) expertise and experience of its team members; and
- e) networking ability and competence.

The Board shall propose the re-appointment of the Company's existing external auditors to shareholders at the AGM of the Company, after taking into consideration of the annual assessment of the external auditors conducted by the AC based on the criteria as set out in Section 9 below.

Subject: External Auditors' Independence Policy	Policy No: 06-01
Applies to: External Auditors	Page: 2 of 4
Date: 25 November 2022	Approved by: Board of Directors

Where external auditors are removed from office or give notice to the Company of their desire to resign as external auditors of the Company, the AC shall ensure that the Company forward to Bursa Malaysia Securities Berhad a copy of any written representations or statement of circumstances connected with the resignation made by the external auditors at the same time as copies of such representations or statement of circumstances are submitted to the Registrar of Companies pursuant to Section 284 of the Companies Act 2016.

4) Independence

The external auditors are precluded from providing any services that may impair their independence or conflict with its role as external auditors.

The external auditors shall provide to the AC a written assurance that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

5) Non-Audit Services

The external auditors shall observe and comply with the By-Laws on Professional Ethics, Conduct and Practice of the Malaysian Institute of Accountants ("**By-Laws**") and the International Ethics Standards Board for Accountants ("**IESBA**") in relation to the provision of non-audit services. The external auditors cannot undertake to perform or commence a non-audit services unless obtain pre-concurrence from the AC.

The EA may provide the following non-audit services provided that pre-occurrence from the AC is obtained and the provision of such services shall not create any threat to the independence of the external auditors, or that any threat is at an acceptable level or, if not, will be eliminated or reduced to an acceptable level:-

- Services related to securities filings, including comfort letters, consents and comment letters
- Consultations on matters addressed during the current audit or interim reviews
- Agreed-upon procedures
- Pre-implementation review services
- Consultations related to matters affecting future audit periods
- Financial statement preparation services
- Tax compliance services
- Routine on-call tax services (ROCA)
- Trust tax services
- International tax advisory services
- Domestic tax advisory services
- Information reporting and withholding
- Indirect (non-income) tax advisory and compliance services
- Transaction tax advisory services
- Assistance with tax examinations
- Compensation and benefit services

Subject: External Auditors' Independence Policy	Policy No: 06-01
Applies to: External Auditors	Page: 3 of 4
Date: 25 November 2022	Approved by: Board of Directors

- People advisory services (“**PAS**”) — expatriate, global mobility services and immigration
- PAS — workforce advisory services
- Transfer pricing documentation and advisory services
- EY tax legislative monitoring and advisory services
- Tax technology and transformation services
- EY Personal Finance
- Mergers and acquisitions due diligence
- Security — attack and penetration assessments
- Cybersecurity program assessment services
- Cyber threat management assessment services
- Identity and access management (IAM) assessment services
- Data protection assessment services
- Privacy assessment services
- Insurance claim services
- Publications and online subscriptions and content
- Services performed for controlling entities

In determining the remuneration for the non-audit services to be provided by the external auditors or a firm or corporate affiliated to the auditors' firm, the AC will consider the nature and scope of work, the availability of alternate service providers, the reason for recommending the external auditors and any other circumstances relevant to the engagement. Should the fee for non-audit services exceed the total amount of audit fees of the Group charged by the external auditors, the AC shall recommend the proposed engagement with justification for the Board's consideration and approval.

6) Rotation of Audit Partner

The audit partner responsible for the external audit of the Group is subject to rotation in accordance with the By-Laws.

7) Appointment of Former Partner of External Audit Firm as Member of AC

In the event of a former partner of the external audit firm of the Company and/or the affiliate firm (including those providing advisory services, tax consulting etc.) being appointed as a member of the Board, he/she shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

8) Annual Reporting

The AC will review on an annual basis the external auditors' audit planning memorandum.

At the conclusion of the audit review, the AC and Senior Management will discuss with the external auditors on their findings, significant weaknesses and audit related recommendations.

The external auditors shall also provide a management letter, if any, to the AC upon completion of the annual audit.

Subject: External Auditors' Independence Policy	Policy No: 06-01
Applies to: External Auditors	Page: 4 of 4
Date: 25 November 2022	Approved by: Board of Directors

9) Annual Assessment

The AC shall carry out annual assessment on the performance, suitability, objectivity and independence of the external auditors based on the following key areas:

- (i) Competency;
- (ii) Quality of service;
- (iii) Resources capacity;
- (iv) Communication and interaction with Management;
- (v) Independence, objectivity and professional scepticism; and
- (vi) Appropriateness of audit fee to support quality audit.

The annual assessment should also consider information presented in the Annual Transparency Report of the external audit firm. If the external audit firm is not required to issue an Annual Transparency Report, the AC is encouraged to engage the audit firm on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks.

As part of the assessment, the AC may obtain feedback from the members of Senior Management regarding the quality of the audit service.

10) Review of the Policy

The Board and the AC will review the Policy periodically to ensure that it continues to remain relevant and appropriate.

This Policy was last reviewed and adopted by the Board on 25 November 2022 and is made available on the Company's website at <https://my.keckseng.com>.