

AUDIT COMMITTEE – TERMS OF REFERENCE

1. Objective

The principal objective of the Audit Committee (AC) is to assist the Board of Directors (“Board”) in discharging its statutory duties and responsibilities relating to accounting, system of internal controls, management and financial reporting practices of the Group. In addition, the AC shall:

- Evaluate the quality of the audit conducted by the internal and external auditors;
- Provide assurance that the financial information presented by management is relevant, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct; and
- Determine the adequacy of the Group’s control environment.

The AC has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the Company’s website.

2. Composition of the AC

The AC currently comprises three (3) Independent Non-Executive Directors.

2.1 All members of the AC must be non-executive directors comprise solely of independent directors.

2.2 All members of the AC shall be financially literate and at least one member of the AC:

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years’ working experience and
 - (a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - (b) he must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (iii) fulfils such other requirements as prescribed or approved by the Exchange (Bursa Malaysia Securities Berhad).

2.3 Any former key audit partner of the Group shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. A key audit partner means an audit partner who makes key decisions and/or judgments on significant matters with respect to the audit of the financial statements of the Company and/or its subsidiaries for a particular financial year.

- 2.4 The AC shall be appointed by the Board from amongst its number and shall consist of not less than three (3) members. The quorum for meeting of the AC shall be two (2).
- 2.5 The Chairman of the AC shall be appointed by the members of the AC who is an Independent Director.

3. Main Duties and Responsibilities

3.1 Review the audit plan with the External Auditor including:

- To discuss with the external auditors before the annual audit commences, the nature and scope of the audit plan;
- Audit engagement letters;
- Non-audit services;
- Audit fees;
- Timing of auditor visits and locations;
- Use of work by other auditors and the internal auditors;
- Changes in statutory requirements and developments in accounting principles which may affect the company; and
- Any other significant issues

The external auditors are required to confirm to the AC that they have complied with the relevant ethical requirements regarding independence throughout the conduct of the audit engagement for each financial year.

3.2 Review the accounting controls with the External Auditor including:

- Quality and effectiveness of entire accounting system, control environment and management controls;
- Follow up of auditor's management letter and management's response;
- Adequacy, control and quality of management information systems;
- Quality of the performance of Internal Auditors;
- Material weaknesses in internal control;
- Adequacy and integrity of the internal control systems; and
- Group's efforts and processes taken to reduce the Group's financial and operational risks

3.3 Review the audit report including:

- Differences in views between auditors and management;
- Co-operation given by management and restrictions placed on auditors, if any;
- Accounting methods followed, changes in accounting standards and their effects on the statements;
- The audit opinion;
- Implementation of auditor's recommendation;

- The Group's exposure to fraud;
 - Compliance with regulations and statutory requirements;
 - Adequate disclosure of all material matters;
 - Management follow-up on examination reports made by regulatory authorities; and
 - Sensitive reporting issues, unusual items
- 3.4 Review the assistance given by the company's officers to the Internal/External Auditors including:
- Designing system with a clear audit trail;
 - Preparing financial information in a form suitable for audit purposes;
 - Any restrictions posed on auditors; and
 - Promptness of responses to audit inquiries;
- 3.5 Review the scope and results of internal audit procedures including:
- Review and approve the proposed internal audit plan;
 - Monitor the progress and implementation of the internal audit plan;
 - Review and approve changes to the internal audit plan;
 - To review and evaluate the effectiveness of the Group's internal audit procedures;
 - Review the internal control procedures;
 - To review the internal audit assessments, investigations undertaken and whether or not appropriate action is taken on the recommendations;
 - Consider / Discuss findings/major findings of the Internal Auditors, obtain necessary explanations from management or management response to audit findings where deemed necessary and make recommendations to the Board as appropriate;
 - To review 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.; and
 - Special review on the request of the management.
- 3.6 Review the quarterly and annual financial statements of the Company and Group focusing particularly on:
- Ascertainment of true and fair view of the disclosure of information essential on the financial affairs of the Group;
 - Significant changes and adjustments in the presentation of the financial statements with prior year, budget or plan;
 - Major changes in the accounting policies and principles;
 - Compliance with law and accounting standards;
 - Chairman's statement, interim financial reports and preliminary announcements;

- Significant variances in audit scope;
- Significant commitments or contingent liabilities;
- Significant reserves, accruals and estimates;
- Doubtful Debts accounts;
- Differences in format of disclosure from regulatory or industry norms;
- To discuss problems and reservations arising from interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- The going concern assumption; and
- Significant and unusual events;

3.7 Review related party transactions that may arise within the Company and Group, including the review and monitoring of recurrent related party transactions to ensure that:

- All transactions are conducted on a fair and reasonable basis under the normal commercial terms that are not more favourable to the related parties;
- Adequate internal control and procedures are sufficiently and effectively in place; and
- All transactions comply with the relevant laws and regulations, including the Bursa Securities Listing Requirements.

3.8 Review and report to the Board any conflict of interest situation and potential conflict of interest situation within the Company and Group that:-

- (i) Arose during the current financial year;
- (ii) May arise during the current financial year;
- (iii) Conducted in the previous financial years and persisting during the current financial year;

and the measures taken to resolve, eliminate, and mitigate such conflict of interest.

3.9 Review the appointment and performance of External Auditors including:

- To perform a yearly assessment of the suitability, objectivity and independence of the external auditors before making recommendation to the Board for the appointment or re-appointment of the external auditors;
- Review proposed audit fees;
- Review independence of External Auditor;
- Review effectiveness of External Auditor;
- The adequacy of the experience and resources of the external auditors;
- Recommends appointment, reappointment or replacement of external auditor;

- Assess reasons for their unsuitability for re-appointment or dismissal;
 - The letter of resignation; and
 - Recommends nomination of new External Auditors and their audit fees to the Board.
- 3.10 In fulfilling the AC's primary responsibilities in the discharge of its duties and functions to the Board, the AC shall prepare the periodic reports on the Summary of Activities, which will be consolidated into the AC Report for the Yearly Annual Audited Financial Statement Report and include the following:
- The composition of the AC, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
 - The terms of reference of the AC;
 - The number of AC meetings held during the financial year and details of attendance of each AC member;
 - A summary of the activities of the AC in the discharge of its functions and duties for that financial year of the listed issuer; and
 - The existence of an Internal Audit function or activity and where there is such a function or activity, a summary of the activities of the function or activity is available.
- 3.11 Review procedures in place to ensure that the Group is in compliance with the Companies Act, 2016, Listing Requirements of the Bursa Malaysia Securities Berhad and other legislative and reporting requirements.
- 3.12 Undertake other responsibilities as may be agreed to by the AC and the Board such as special projects or investigation, review and report back to the Board.
- 3.13 Review the Company's statement on internal control systems, after the assurance checks by the External Auditors, prior to the endorsement by the Board, for inclusion in the annual report and to comply with the Malaysian Code on Corporate Governance.
- 3.14 Oversee the Group's risk management initiatives and functions as follows:
- Evaluate and recommend an Enterprise – Wide policy framework with written policies and procedures;
 - Monitor the risk management framework, its implementation and activities;
 - Review the risk reports on a periodic basis; and
 - Feedback to the Board on the major risks in tandem with changes of the company's objectives and business exposures,

and the proper internal controls undertaken by the Management to manage such risks.

3.15 Oversee the sustainability matters as follows:

- To review and recommend the Sustainability Management Committee's Terms of Reference to the Board for approval;
- To review and recommend the Sustainability Policy to the Board;
- To review and recommend the Sustainability Statement to the Board;
- To review and recommend the sustainability targets pursuant to the Groups' Sustainability Policy to the Board.

4. Authority

- 4.1. The AC is authorised by the Board within its term of reference and at the cost of the Group to investigate any matter and shall have the resources which are required to perform its duties.
- 4.2. The AC also has full and unrestricted access to any information pertaining to the Group;
- 4.3. Have direct communication channels with the external auditors and person carrying out the internal audit function or activity.
- 4.4. The AC is able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company whenever deemed necessary.
- 4.5. The AC is authorised to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 4.6. It is the AC's discretion to meet with the external auditors at least twice a year without the presence of the executive directors. If the AC members are satisfied with the reporting practices as well as the level of independence shown by the external auditors or they are able to clarify matters directly with the external auditors and do not feel the need to convene an additional meeting, this meeting shall not be held.
- 4.7. Such other functions as may be agreed by the AC and the Board.

5. Meetings and Minutes

- 5.1. Meetings shall be held not less than four times a year. Additionally the Chairman shall convene a meeting of the AC if requested to do so by its member, the management or the internal or external auditors to consider any matters within the scope and responsibilities of the AC.
- 5.2. An Agenda shall be sent to all members of the AC and any persons that may be required to attend. Minutes of each meeting shall be kept and distributed to each member of the AC and also the members of the Board. The Secretary to the AC shall be the Company Secretary.
- 5.3. A resolution in writing signed by a majority of the AC members for the time being entitled to receive notice of meeting of the AC, shall be as valid and effectual as if it had been passed at a meeting of the AC duly

called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more AC members. Any such document may be accepted as sufficiently signed by a AC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a AC member.

The term of reference is reviewed and approved by the Board on 26 June 2024.