

TERM OF REFERENCE OF AUDIT & RISK COMMITTEE

OBJECTIVE

The primary function of the Audit and Risk Management Committee (the “Committee”), formed by the Board, is to assist the Board of Directors in fulfilling its fiduciary duties as well as the following oversight objectives on the activities of the Group and its subsidiaries:

- Oversee financial reporting process; and
- Evaluate the internal and external audit processes, including issues pertaining to the system of internal control, risk management and governance within the Group.

COMPOSITION

- The Board shall elect the Committee members from amongst themselves, comprising no fewer than three (3) Directors (none of whom shall be Executive or Alternate Director) and the majority shall be Independent Non-Executive Directors.
- The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or possessing such financial related qualification or experience as may be required by Bursa Malaysia Securities Berhad.
- The Chairman of the Committee shall be an Independent Non-Executive Director and is not the Chairman of the Board.
- If the number of members of the Audit and Risk Management Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- It is required for a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the Committee.
- The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

DUTIES AND RESPONSIBILITIES

1. EXTERNAL AUDIT

- Review with the external auditors, the audit scope and plan, including any changes to the scope of the audit plan.
- To review quarterly and annual financial statements of the Company, before submission to the Board, focusing on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues.
- To review and assess each year, the suitability, objectivity, and independence of external auditors.
- Review the appointment, re-appointment, decision to not re-appoint, resignation or removal of external auditors and the audit fee before making recommendations to the board.
- Review the assistance given by the group’s officers to the auditors, and any difficulties encountered during the audit work, including any restrictions on the scope of activities or access to required information.
- To review the assistance and co-operative given by the Company’s officers to the external auditors.

2. INTERNAL AUDIT

- To review the adequacy of scope, functions, and resources of the internal audit function.
- To review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function.

- To review the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
- To review and approve any appointment, termination, or resignation of the internal auditor.
- To review the assistance and co-operative given by the Company's officers to the external auditors.

3. RISK MANAGEMENT AND INTERNAL CONTROL

- Review the adequacy of Group's risk management framework and assess the resources and knowledge of the Management and employee involved in the risk management process.
- Review the effectiveness of internal control systems deployed by the Management to address those risks.
- Review and further monitor principal risks that may affect the Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks to safeguard shareholders' investments and the Company's assets.
- Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Company.

4. OTHERS

- Review of any related party transaction that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- Review Conflicts of Interest ("COI") situations that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate, or mitigate the COI (as set out in Paragraph 15.12(1)(h) of the listing requirement.)

AUTHORITY

In carrying out its duties and responsibilities, the ARMC shall have the following rights:

- Have authority to investigate any matter within its terms of reference.
- Have the resources which are required to perform its duties.
- Have full and unrestricted access to any information pertaining to the listed corporation or group.
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.
- Be able to obtain independent professional or other advice; and
- Be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity, or both, excluding the attendance of other directors and employees of the listed corporation, whenever deemed necessary.

MEETINGS AND MINUTES

- The Committee shall hold not less than four (4) meetings a year to review the quarterly results and year-end financial statements. Additional meetings may be called at any time, at the discretion of the Chairman of the ARMC.
- In order to form a quorum for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
- The Committee shall meet with the external auditors and internal auditors without the presence of any executive Board members, Management, or employees, whenever deemed necessary. In addition, Management, the internal auditor, and external auditors may request for a private session with the Committee to discuss any matter of concern.
- All the minutes of meetings of the Committee shall be kept at the Registered Office and copies thereof shall be circulated to all members of the Board. The Secretary to the Committee shall be the Company Secretary.

REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

This Terms of Reference has been adopted by the Board of Directors on 27 September 2024.