(Company No. 217120- W)

(Incorporated in Malaysia under the Companies Act, 2016)

TERMS OF REFERENCE

FOR

AUDIT COMMITTEE

1.0 OBJECTIVE

In line with Paragraph 15.09 of the Bursa Securities Listing Requirements ("Bursa Securities") and Practice 9.1 to Practice 9.5 of the Malaysia Code on Corporate Governance ("MCCG"), the Board to establish an effective and independent Audit Committee to enable the board to objectively review the Audit Committee's findings and recommendations to ensure that the company's financial statement can be a reliable source of information.

2.0 ROLE OF THE AUDIT COMMITTEE

The audit committee is established by the board to oversee the areas of financial reporting, related party transactions and conflicts of interests, internal control environment, internal audit and external audit in communication management and auditors.

3.0 COMPOSITION AND MEMBERSHIP

3.1 In line with Paragraph 15.09 of Bursa Securities Listing Requirements, appointments to the audit committee are made by the board on the recommendation of the nominating committee and in consultation with the audit committee chairman to fulfil the following requirements: -

a) audit committee shall compose no fewer than three (3) members;
b) all audit committee members shall be Non-Executive Directors, with a majority of them being Independent Directors;
c) in line with Practice 9.4 (Step Up) of the Malaysian Code on Corporate Governance, the audit committee shall comprise solely of Independent Directors; and
d) no alternate director shall be appointed as a member of the audit committee, pursuant to Paragraph 15.09(2) of Bursa Securities Listing Requirements.

(In respect of the Independent Non-Executive Director, the definition of "independent directors" is defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.)

3.2. All members of the audit committee to be financially literate, i.e., the ability to read, analyze and interpret financial statements and at least one (1) member of the Audit Committee to be: -

a) a member of the Malaysian Institute of Accountants ("MIA"); or
b) if he/she is not a member of the MIA, he/she must have at least three (3) years of working experience; and
c) he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
d) he/she must be a member of the Association of Accountants specified in Part II of the First Schedule of the Accountants Act.1967; or
e) he/she must fulfil such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

3.3. If a member of the Audit Committee resigns, dies or for any reason ceases to be a member and results in the number of members being reduce to below three (3), the

Board shall within three (3) calendar months of the event, appoint a new member to fill the vacancy.

3.4. The term of office and performance of the Committee and each of its members are reviewed by the Board (through the Nomination Committee) once every year to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference.

3.5. In line with Practice 9.5 of the Malaysian Code on Corporate Governance, all members of the Audit Committee shall undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules relevant to the discharge of their duties.

4.0 AUDIT COMMITTEE CHAIRMAN

4.1 In line with Paragraph 15.10 of Bursa Securities Listing Requirements, members of the audit committee shall elect a chairman among themselves who is an independent director.

4.2 Chairman to be an independent director and in line with Practice 9.1 of the MCCG, the board chairman shall not chair the audit committee.

5.0 ATTRIBUTES OF AN EFFECTIVE AUDIT COMMITTEE CHAIRMAN

Chairman must be: -
a) independent and a proactive leader with confidence and integrity;
b) a highly respected and experienced board member, who possesses strong financial literacy skills and time available to develop and closely monitor the committee's agenda;
c) a person with excellent working knowledge of audit committee practices;
d) a good listener and communicator who can facilitate successfully;
e) a person who is able to champion open and frank discussion with discipline; and
f) a person who is tenacious and prepared to ask the tough questions.

6.0 RESPONSIBILITIES OF AUDIT COMMITTEE CHAIRMAN

6.1 Chairman shall be responsible for ensuring that the audit committee meetings run efficiently and each agenda item is thoroughly and thoughtfully discussed by all members of the committee and the Audit Chairman shall be the key contact between the committee members and members of the board, as well as senior management and the auditors. He/ She shall: -

a) engage on a continuous basis, apart from the scheduled Audit Committee meeting, with Executive Directors and Senior Management, the head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company/Group in terms of financial performance, operational performance and legal compliance; and

b) have an oversight of external and Internal auditors.

6.2 Chairman to be present at the annual general meeting to answer questions on the audit committee's activities and on matters that are within the scope of the audit committee's responsibilities.

7.0 ROLE OF THE AUDIT COMMITTEE CHAIRMAN

The Chairman must be recognized for his or her leadership and vision and also be acknowledged by other committee members and management as to be able to set and manage the audit committee's agenda on: -

a) Planning and conducting meetings;
b) Overseeing the reporting to the board;
c) Encouraging open discussion during meetings; and
d) Maintaining active ongoing dialogue with management and both the internal and external auditors.

8.0 MEETING FREQUENCY, QUORUM AND PROCEDURES

8.1. Meetings shall be conducted at least five (5) times annually, and more frequently as circumstances dictate. The Chairman may call for a meeting of the Committee if a request is made by any Committee member, the Board Chairman, the Chief Executive Officer / President, or the internal or external auditors.

8.2. In order to form a quorum for the meeting, the majority of members being 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. For the purpose of determining the presence of the requisite quorum, members attending the meeting, by way of telephone or video conferencing or whatever forms for an effective meeting shall be considered as being present.

8.3. The Company Secretary together with the Chairman, shall draw up the agenda, which shall be circulated together with the relevant supporting papers for each agenda, at least seven (7) days prior to each meeting to each member of the Committee.

8.4. Upon conclusion of each meeting, draft minutes on meeting shall be circulated to members of the Board within fourteen (14) days for comments on drafts by each member. After all comments is received, amended minutes will be circulated to all and final copy will be part of next meeting file ready for confirmation and signing.

8.5. Chairman may, as and when deemed necessary, invite other Board members, Senior Management members or third parties to attend the meetings to address matters that require the input of such persons.

8.6. Chairman to brief the Board on the outcome of every Committee meeting after the conclusion of the Committee's meeting and he/she shall submit an annual report to the Board, summarizing the Committee's activities during the year and the related significant results and findings thereof.

8.7. The Committee shall meet with the external and internal auditors without the presence of any Executive Directors, Management or Employees twice annually. In

addition, the external or internal auditors may request a private session with the Committee to discuss any matters of concerns.

8.8. The Chairman of the Committee shall regulate the manner of' proceedings of its meetings, having regard to the normal conventions on such matter.

9.0 AUTHORITY OF THE AUDIT COMMITTEE

In line with Paragraph15.16 and 15.17 of Bursa Securities Listing Requirements, the Audit Committee shall: -

a) be authorized to investigate any activity within its terms of reference and are authorized to seek any information it requires from any employee and employees shall be directed to co-operate with any request made by the Audit Committee;

b) at the expense of the Company, obtain outside legal or other independent professional advice if he/she considers necessary in the discharge of his/her responsibilities by informing the Chairman of the Board of Directors on the need to do so and proceed to obtain the necessary advice;

c) have full and unrestricted access to any information pertaining to the Company or its Group. Committee shall have direct communication channels with the internal and external auditors including Senior Management of the Group and shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary;

d) be provided with the resources that are required to perform their duties at all times; and

e) as and when they are of the view that a matter reported by them to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities, the Committee shall promptly report such matter(s) to relevant authorities.

10.0 APPOINTMENT OF AUDITORS

The Audit Committee shall ensure that: -

a) a qualified and competent Internal Auditor is appointed to carry out the duties of internal auditing and advise the board, on risk management & internal control as to give assurance to the Board that there are an Effective System of Risk Management and Internal Controls in the Group;

b) a qualified External Auditor is appointed to carry out the duties of accounting auditing matters especially on the group's legal compliance to proper accounting treatments and policies including advising the Board and Directors on these matters;

c) sourcing of suitable Auditors through recommendation by external sourcing services where Audit Committee together with the Nominating Committee carry out the process of interviewing which to include a presentation by the Auditors on their experience, knowledge and qualification and only then make their recommendation to the Chairman of the Board;

d) information on the potential Auditor is provided and make the recommendation to the Board and the Board as a whole shall decide and agree on the appointment and fees of the Auditor; and

e) the Executive Directors given the authority to signs the Letter of Engagement after appointment been approved by the Board and ensure the Company Secretary do the necessary shareholder's approval / announcement to authorities where required in the allowable timeframe.

11.0 RESPONSIBILITIES AND DUTIES OF THE AUDIT COMMITTEE

11.1 In line with Paragraph 15.12 of Bursa Securities Listing Requirements, the audit committee shall discharge its responsibilities and duties by: -

a) reviewing the Committee's terms of reference as conditions for relevant updates;

b) reviewing with the external auditor's audit scope and plan, including any changes to the scope of the audit plan;

c) ensuring the internal audit function is independent of the activities it audits and the head of internal audit to report functionally to the Audit Committee directly;

d) ensuring Internal Audit engagement for regular review of the effectiveness of the risk management, internal control, and governance processes within the Group;

e) ensuring the internal audit function is deployed in a professional standard which is recognized by the Institute of Internal Auditors in Malaysia when conducting internal audit covering the companies in the Group;

f) taking cognizance of resignations of any internal audit member and provide the resigning internal audit member an opportunity to submit the member's reasons for resigning;

g) reviewing the adequacy of the internal audit scope and plan, including the internal audit program, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

h) reviewing the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in internal controls, risk management or governance processes that are identified;

i) reviewing major audit observations and Management's response during the year with Management, external and internal auditors, including the status of previous audit recommendations;

j) reviewing the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;

k) reviewing the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees in line with EFB's policy of non-audit services provided by the external auditors, so as to ensure a proper balance between objectivity and value for money;

l) reviewing the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;

m) appointing of external auditor, the Audit Committee to consider, among others: -

i. the adequacy of the experience and resources of the accounting firm;
ii. the persons assigned to the audit;
iii.the accounting firm's audit engagements;
iv. the size and complexity of the group being audited; and
v. the number, experience of supervisory and professional staff assigned to the particular audit.

n) reviewing the adequacy and integrity, including effectiveness, of risk management and internal control systems, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems;

o) reviewing the quarterly results and the year-end financial statements, prior to approval by the Board, focusing particularly on: -

i) changes in, or implementation of, major accounting policy changes;
ii) use of the going concern assumption;
iii) significant or unusual events; and
iv) compliance with The Malaysian Financial Reporting Standards and other legal requirements.

p) reviewing procedures to ensure that the Group is in compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other legislative and reporting requirements;

q) reviewing any related party transaction and conflict of interest situation that arose, persist or may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on Management's integrity~~;~~ and the measures taken to resolve, eliminate or mitigate such conflicts of interest;

r) maintaining policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a director; and

s) establishing policies and procedures to access the suitability, objectivity and independence of the internal and external auditors; and

t) reviewing the Company's Sustainability Statement, including confirming whether it has undergone internal review by the internal audit function or independent assurance in accordance with the National Sustainability Reporting Framework and the Main Market Listing Requirements of Bursa Securities, prior to its inclusion in the annual report.

11.2 In carrying out the above tasks entrusted by the Board, the Audit Committee is required to report back to the Board the outcome of the work carried out, unless specified otherwise, the Committee does not have specific authority or power to approve any of the tasks so entrusted by the Board.

11.3 As required under Paragraph 15.15(3) of Bursa Securities Listing Requirements, Audit committee report must include the following: -

a) the composition of the audit committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);

b) the number of audit committee meetings held during the financial year and details of attendance of each audit committee member;

c) a summary of the work of the audit committee in the discharge of its functions and duties for that financial year including how it has met its responsibilities; and

d) a summary of the work of the internal audit function~~.~~; and

e) a summary of any conflict of interest or potential conflict of interest situation (excluding related party transactions) reviewed by the Audit Committee pursuant to Paragraph 15.12(1)(h) of Bursa Securities Listing Requirements, and the measures taken to resolve, eliminate or mitigate such conflicts of interest.

11.4 As required under Paragraph 15.26(b) of Bursa Securities Listing Requirements, to provide a statement about the state of risk management and internal control of the group. The statement shall contain sufficient and meaningful information needed by stakeholders to make an informed assessment of the main features and adequacy of the listed issuer's risk management and internal control system and statement shall be reviewed by external auditors.

11.5 As required under Paragraph 15.16 of Bursa Securities Listing Requirements, where an audit committee is of the view that a matter reported by it to the board of directors has not been satisfactorily resolved resulting in a breach of Requirements, the audit committee MUST promptly report such matter to the Exchange.

12.0 INDEPENDENCE OF THE AUDIT COMMITTEE

12.1 In line with MCCG Intended Outcome 9.0, the Board to establish an effective and independent Audit Committee that enable the board to objectively review the findings and recommendations and in turn the company's financial statement can be a reliable source of information.

12.2 Audit committee members to display a strong element of objectivity, both in appearance as well as of mind. In assessing "independence in thought and action", the nominating committee to evaluate the audit committee members on demonstrating vigilance, skepticism and more importantly, have the courage to stand up for an objective point of view.

13.0 SUITABILITY & INDEPENDENCE OF EXTERNAL AUDITORS

13.1. In line with MCCG Practices 9.2 and 9.3 a policy has been established for assessing and reviewing the suitability, objectivity and independence of the external auditor, to jointly carried out by the Audit Committee and the Nominating Committee.

13.2. In evaluating the External Audit firm's capabilities in relation to its expertise, experience, network and reputation, the Audit Committee and the Nomination Committee shall firstly give consideration to the factors set out below: -

a) the audit firm's reputation and the period of its presence in the industry;
b) qualifications of its professionals, including the breadth and depth of resources and experience of the team members;
c) networking ability and competency to address overseas subsidiaries not audited by the firm (its liaison capability with the secondary auditors);
d) audit methodology employed by the firm such as the underlying methodology and materiality used to determine the nature, extent and timing of testing required;
e) the internal quality control processes in place (independent quality control review and approach to audit judgments); and
f) how the audit firm delivers value other than through the provision of the statutory audit report.

13.3. To safeguard the external auditor's independence and objectivity not foregoing relevant professional and regulatory requirements, the Audit Committee shall ensure that the: -

a) non-audit services fee is not greater than the audit service fee rendered by the external auditor;
b) non-audit services shall not involve any internal audit works;
c) external auditor's Key audit partners or Senior Employees shall not be offered employment or be appointed as a member of the audit committee by the company or any of its related company for a cooling-off period of three (3) years and any offer of employment to a former employee of the audit firm in respect of a senior management position must be pre-approved by the Audit Committee Chairman;
d) audit partner is being change as required under MIA By-Laws on Professional Ethics;
e) change of audit firm may be considered once every 12 (twelve) years; and
f) written assurance is obtained from the external auditors confirming 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.

13.4. Audit Committee shall give their recommendation based on the above for the appointment of the External Auditor to the Nomination Committee and thereon for the full Board's approval.

14.0 PROCEDURE FOR APPOINTMENTS, RE-APPOINTMENT AND REMOVAL OF EXTERNAL AUDITOR

14.1. The process for appointment of External Auditor shall follow the same procedure as appointing a Company Secretary by the Nominating Committee together with recommendation from the Audit Committee on the suitability and their independence.

14.2. The re-appointment of External Auditors shall depend on the satisfactory results of the annual evaluation carried out by the Nomination Committee and the recommendation made jointly by the Nomination and Audit Chairman based on their independence, capabilities shown as well as the effectiveness of the audit work carried out for each financial year.

14.3. Removal of the Auditor shall be approved and carried out by the board as a whole when being recommended to do so by the Audit / Nomination Committee Chairman as

and when the performance of the Auditors fails to meet the requirement of the Company / Board or Auditors fails to act in the best interest of the company.

15.0 INTERNAL AUDIT FUNCTION

15.1. In line with MCCG Practice 11.1 and Paragraph 15.27 of Bursa Securities Listing Requirements on Internal audit, the committee shall ensure: -

a) to establish an internal audit function which is independent of the activities it audits; and
b) that the internal audit function reports directly to the audit committee.

15.2. The Board to ensure that the audit committee amongst others, discharges the following functions of reviewing the following and report the same to the board of directors of the Company/group on: -

a) the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and
b) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations.

15.3. In line with MCCG Practice 11.1 and 11.2, the key activities undertaken by an out-sourced internal audit firm shall be decided by the Audit Committee including its objectives and activities.

The internal audit functions shall include the following: -

a) a review and an objective evaluation of the governance, risk and control environment of the company and entities across the group;
b) a systematic analysis of business processes to identify the associated controls in place;

c) an assessment of how information on fraud and irregularities is reported including providing feedback on adherence to the company's code of conduct and/code of ethics;

d) ad-hoc reviews of other areas where there is a concern that affects financial reporting or a threat on the safeguarding of the company's assets;

e) review of the compliance framework and specific compliance issues;

f) follow-up visits to determine the status of management implementation plans to address observations reported in preceding internal audit visits; and

g) value-added recommendations for more effective and efficient use of resources within the company/group.

15.4. Audit Committee shall ensure that the Internal audit personnel exercise objectivity by being free from conflicts of interest or any undue influence of others that may override professional and business judgment.

15.5. Head of internal audit shall report directly to the Audit Committee on all internal audit matters.

15.6. Audit committee shall be responsible for deciding on the appointment and removal as well as the performance evaluation and remuneration of those personnel(s) in the internal audit department / function.

15.7. Audit Committee shall ensure that the internal audit function is being resourced with adequate manpower and supporting infrastructure, such as auditing tools and knowledge repositories. The resources and budget allocated should be proportionate with the envisaged extent and complexity of the audit work, in line with the company's size and circumstances. The audit committee shall ensure that internal audit personnel, particularly the head of internal audit is competent to carry out the works.

15.8. Audit Committee shall ensure that the internal audit function be appropriately positioned within the company to be recognized as an authoritative voice. As in MCCG Practice 11.1, the audit committee shall ensure that the head of internal audit has sufficient standing and authority to discharge his or her functions effectively. This function shall be accorded with unrestricted access to the necessary information, records, physical properties and personnel to perform its agreed-upon objectives and responsibilities.

16.0 CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION

As required under Paragraph 15.12(1)(h) of Bursa Securities Listing Requirements, Audit Committee to review and report to the board on any related party transactions (including recurrent related party transactions) and conflict of interest situations that arose, persist or may arise within the group~~.~~, and the measures taken to resolve, eliminate or mitigate such conflicts of interest. Audit Committee to ensure that the transactions carried out are amongst others, in the best interest of the listed issuer as well as not detrimental to the minority shareholders.

Policy adopted in July 2017 - Effective: August 2017
Reviewed in September 2019 – Effective: October 2019
Reviewed in October 2022 - Effective: November 2022
Reviewed in Aug 2026 - Effective: Sept 2026

****