AUDIT & RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE
(Revision Date: 29.08.2025)

1. Composition

1.1 The Audit & Risk Management Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than 3 members of whom the majority shall be independent directors. All members of the Audit & Risk Management Committee shall be non-executive directors.

1.2 All members of the Audit & Risk Management Committee shall be financially literate and at least one member of the Audit & Risk Management Committee:

a) must be a member of the Malaysian Institute of Accountants; or

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

1.3 No alternate Director shall be appointed as a member of the Audit & Risk Management Committee. The members of the Audit & Risk Management Committee shall elect a Chairman from among their members who shall be an independent non-executive director. In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

1.4 Appointments to the Audit & Risk Management Committee shall remain, provided the director still meets the criteria for membership of the Audit & Risk Management Committee.

2. Meeting

2.1 The quorum shall not be less than 2, the majority of whom shall be independent directors.

2.2 The Audit & Risk Management Committee shall meet as the Chairman deems necessary but not less than 4 times a year. The Chairman shall be entitled where deemed appropriate to invite any person(s) to meetings of the Audit & Risk Management Committee.

2.3 The Audit & Risk Management Committee shall meet with the external auditors, internal auditors or both, without executive board members and employees present at least twice a year.

2.4 Audit & Risk Management Committee meetings shall be attended by Group Chief Financial Officer or Head of Finance, representatives of Internal Auditors and External Auditors, and the Company Secretary.

3. Authority

3.1 The Audit & Risk Management Committee is authorised by the Board:

- to seek any information relevant to its activities from employees of the Company;
- the necessary resources required to carry out its duties and to obtain independent professional advice it considers necessary; and
- full and unlimited access to any information and documents pertaining to the Company.

4. ARMC Functions

4.1 Financial Statements, External Audit and Other Information

The duties of the Audit & Risk Management Committee shall be:

a) to make appropriate recommendations to the Board on matters pertaining the nomination, appointment and dismissal of external auditors and the fee thereof;

b) to review and discuss with the external auditors and internal auditors before the commencement of audit, the nature and scope of the audit;

c) to review the quarterly and year-end financial statements of the Group and Company prior to submission to the Board of Directors, focusing particularly on:
   i. public announcement of results and dividend payments;
   ii. any significant changes in accounting policies and practices;
   iii. significant adjustments and unusual events resulting from the audit;
   iv. the going concern assumption; and
   v. compliance with stock exchange, accounting standards and legal requirements;

d) to discuss problems and reservations arising from the interim and final audits, and any other matters the external auditors may wish to discuss (in the absence of Management where necessary);

e) to review any external auditors' letter to management (if any) and management's response;

f) to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

g) to review the internal audit planning memorandum and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;

   i. review any appraisal or assessment of the performance of Head of the internal audit function;
   ii. approve any appointment or dismissal of the Head of internal auditors;
   iii. inform itself of resignation of the Head of internal auditors and provide him/her an opportunity to submit reasons for resigning;
   iv. to consider any related party transactions and conflict of interest situation that may arise within the Company or Group that may raise questions over management's integrity; and
   v. to consider the findings of internal audit investigations and management's response.

4.2 Risk Management, Internal Control and Information Systems

The Audit & Risk Management Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

a) to advise the board on the Group's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments and other authoritative sources that may be relevant for the Group's risk policies;

b) to champion and promote the Enterprise Risk Management and to ensure that the risk management process and culture are embedded throughout the Group;

c) to provide routine monthly and quarterly reporting and update the Board on key risk management issues and Potential Loss Event;

d) to review Risk Management Framework and Policy & Guide annually;

e) to oversee and advise the board on the current risk exposures of the Group and future risk strategy to ensure development and growth of the Group on a sustainable basis;

f) In relation to risk assessment:

i. to keep under review the Group's overall risk assessment processes that inform the board's decision making, ensuring both qualitative and quantitative metrics are used;
ii. to review regularly and approve the parameters used in these measures and the methodology adopted;
iii. to set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance; and
iv. to consider whether the Group has effective management systems in place to identify, assess, monitor and manage its key risk areas;
    - to review the Group's capability to identify and manage new risk types;
    - to review reports on any material breaches of risk limits and the adequacy of proposed action;
    - to follow up on management action plans based on the status of implementation compiled by the management;
    - to review the Business Risk Analysis & Evaluation and Mitigation Plans to be escalated to the Board on an annual basis and to report any major breach of risk policies and tolerance limits and ensure Risk Mitigants are in place;
    - to give a view on proposal/feasibility studies prepared by project sponsors or project consultants which meet the requisite threshold before recommending to the Board for final decision;
    - to keep under review the effectiveness of the Group's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management;
    - to review the Group's procedures for preventing fraud; and
    - to consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from management or other restrictions.

4.3 Internal Audit Function

The Company utilizes the services of outsourced Internal Audit. The internal audit review of the Company's operations encompasses an independent assessment of the Company's compliance with its internal controls and makes recommendations for improvements.

The internal auditor reports directly to the Audit & Risk Management Committee, providing the Audit & Risk Management Committee and thereafter to the management independent and objective advice on the effectiveness of the Group's internal control.

The Internal Audit function is also concerned with every aspect of the Group's business and operations. It recognizes that it is management's responsibility to analyse the risks, which arise from them, and to devise and implement effective systems of internal control. The fulfillment of the above objectives is achieved by providing reasonable assurance through an effective and efficient programme of independent review across the Group to Management and to the Board on an on-going basis. This is not confined to but includes:

a) appraising the adequacy and integrity of the internal control and management information system of the Group;
b) ascertaining the effectiveness of operating management in identifying principal risks and to manage such risks through appropriate systems of internal control set-up by the Group;
c) ascertaining the level of compliance with Group's plans, policies, procedures and adherence to laws and regulations;
d) appraising the effectiveness of administrative and financial controls applied and the reliability and integrity of data that is produced within the Group;
e) ascertaining the adequacy of controls for safeguarding Group's assets;
f) conducting special reviews or investigations requested by Management or by the Audit & Risk Management Committee; and
g) in consultation with Management, reviewing operations as a whole from the viewpoint of economy and productivity, with which resources are employed and making cost effective recommendations to Management.

5. Reporting Procedures

The Secretary shall circulate the ARMC minutes at least one (1) week prior to the meeting date.

Detailed audit reports by the Internal Auditor and the respective management response are circulated to members of the Committee before each meeting of the Committee at which the said reports are tabled.