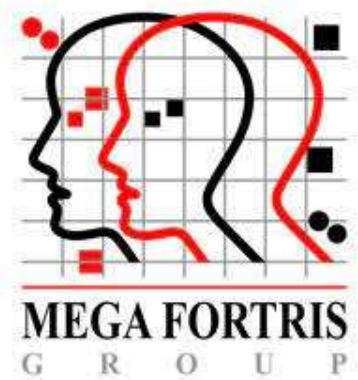


MEGA FORTRIS BERHAD

TERMS OF REFERENCE

AUDIT COMMITTEE

1. PRIMARY PURPOSES

The Audit Committee ("**Committee**") shall:

(a) provide assistance to the Board of Directors ("**Board**") in fulfilling its fiduciary responsibilities on the oversight of the integrity of the corporate accounting and financial reporting for Mega Fortris Berhad ("**the Company**") and all its subsidiaries ("**Group**");

(b) improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results;

(c) maintain through regularly scheduled meetings, a direct line of communication between the Board, the management and the external auditors as well as internal auditors;

(d) enhance the effectiveness and independence of both the external and internal auditors' functions through active participation in the audit process;

(e) review and assess annually the suitability, performance and independence of external auditors to safeguard the quality and reliability of audited financial statements;

(f) strengthen the role of independent directors by giving them a greater depth of knowledge as to the operations and the business of the Group through their participation in the Committee; and

(g) act upon the Board's request to investigate and report on any financial anomalies or irregularities in the financial statements and any issues or concerns with regard to the management of the Group.

2. COMPOSITION

The Committee shall be appointed by the Board from amongst themselves, which fulfils the following requirements:

(a) the Committee shall consist of not fewer than three (3) members;

(b) the Committee shall comprise solely of independent directors;

(c) the members of the Committee must elect a chairman among themselves who is an independent director;

(d) the chairman of the Committee shall not be the chairman of the Board where the chairman of the Committee is responsible for ensuring the overall effectiveness and independence of the Committee;

(e) if the proposed member of the Committee is a former key audit partner of the Group, he/she shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee;

**The former key audit partners mean the engagement partners, other audit partners or the individuals responsible for the engagement of quality control review, and other partners including partners from the affiliate firm (providing advisory services, tax consulting, etc), if any, on the engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the auditor will express an opinion.*

(f) at least one (1) of the members of the Committee must:

(i) be a member of the Malaysian Institute of Accountants; or

(ii) have at least three (3) years working experience, if he/she is not a member of the Malaysian Institute of Accountants, such person must:

- have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967, or
- be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(iii) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad ("**Exchange**").

(g) no alternate director shall be appointed as a member of the Committee;

(h) all members shall have appropriate level of knowledge, possess a wide range of necessary skills, exposure and commitment to be able to discharge their responsibilities, have a strong understanding of financial reporting process and other matters under the purview of Committee comprehended with a wide range of diverse perspective to strengthen the quality of deliberation;

(i) all members of the Committee should be financially literate and are able to understand matters under the purview of the Committee including the financial reporting process, transactions and other financial information; and

(j) all members of the Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

3. AUTHORITY

The Committee shall in accordance with the procedures determined by the Board and at the cost of the Company:

(a) have explicit authority to investigate any matter within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group;

(b) have the resources which are required to perform its duties as set out in its terms of reference or any statute or laws;

(c) have full and unrestricted access to any information pertaining to the Company and the Group;

(d) have direct communication channels with the external auditors and the internal auditors and also to engage the senior management on a continuous basis, such as the chairman of the Board, the executive directors and the Chief Financial Officer ("**CFO**") in order to be kept informed of matters affecting the Company;

(e) be able to obtain and appoint (if required) independent/external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;

(f) be able to invite outsiders with relevant experience to attend its meetings, whenever deemed necessary;

(g) be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of the executive members of the Company, at least twice a year and whenever deemed necessary; and

(h) recommend to the Board on appropriate changes to the duties of the Committee.

Notwithstanding anything contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company and the Group.

4. FUNCTIONS AND DUTIES

The functions of the Committee are as follows:

4.1 To review the following and report the same to the Board of the Company:

(a) with the external auditors, the audit plan;

(b) with the external auditors, his evaluation of the system of internal controls;

(c) with the external auditors, his audit report; and

(d) the assistance given by the employees of the Company and the Group to the external auditors.

4.2 To do the following and report the same to the Board of the Company, in relation to the internal audit function:

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

(b) review the internal audit plan, processes and results of the internal audit plan, the effectiveness of the internal audit function, processes

or investigation undertaken and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;

(c) review any appraisal or assessment of the internal audit personnel on their:
(i) independence status;

(ii) qualification, experience and competency;

(iii) resources and support to carry their work effectively;

(iv) performance whether is carried out in accordance with a recognised framework;

(v) audit fees; and

(vi) continuous professional development to keep themselves abreast of relevant development in the market, practices and rules.

(d) approve any appointment or termination of senior staff members of the internal audit function; and

(e) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

4.3 To review the quarterly results and annual financial statements of the Company and the Group with both the external auditors and management prior to the approval by the Board of the Company, focusing particularly on:

(a) any changes in or implementation of accounting policies and practices;

(b) any significant adjustments arising from the audit;

(c) any significant matters highlighted including financial reporting issues, significant judgements made by management and how these matters are addressed;

(d) significant and unusual events or transactions;

(e) the going concern assumption; and

(f) compliance with applicable accounting standards and other legal requirements.

4.4 To consider and review any related-party transactions and conflict of interest situation that arose, persist or may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts;

4.5 To ensure that they are fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters and also their concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditors;

4.6 To discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management where necessary);

4.7 To communicate their insights, views and concerns about relevant transactions and events to internal and external auditors;

4.8 To ensure there is co-ordination between internal and external auditors;

4.9 To consider and report to the Board of the Company on the appointment, nomination, resignation, re-appointment and dismissal of external auditors and their respective audit fees;

4.10 To review and report the same to the Board of the Company:

(a) any letter of resignation from the external auditors of the Company;

(b) the policies and procedures for assessment of suitability, objectivity and independence of external auditors and their audit fees;

(c) the policies and procedures governing the provision of non-audit services by external auditors and its affiliate firms; and

(d) the result of the annual evaluation on the performance of the external auditor and undertaking follow-up measures, where required;

4.11 To review and report the same to the Board of the Company whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

4.12 To discuss with the external auditors before the audit commences, the nature and scope of the audit, competency and resources of the external audit and ensure co-ordination where more than one audit firm is involved;

4.13 To review the effectiveness of the management information system;

4.14 To review and discuss any management letter sent by the external auditors to the Company and the management's response to such letter;

4.15 To consider the report, major findings and management's response thereto on any internal investigations carried out by the internal auditors;

4.16 To review the allocation of options / shares granted pursuant to the Employees' Share Option Scheme ("**ESOS**") / Employee Share Grant Plan ("**ESGP**") and make such statements to be included in the annual report of the Company in relation to a share scheme for employees;

4.17 To verify at the end of each financial year the allocation of options / shares granted pursuant to the ESOS / ESGP in compliance with the criteria as stipulated in the by-laws of ESOS / ESGP of the Group, if any;

4.18 To carry out any other functions that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Company and ensure the effectiveness discharge of the Committee's duties and responsibilities;

4.19 To report and summarise its activities and the work of internal audit function for the year in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations ("**Audit Committee Report**"). The report can be incorporated into the Audit Committee Report to be included in the annual report of the Company;

4.20 The Committee actions shall be reported to the Board with such recommendations as the Committee deemed appropriate;

4.21 To recommend the nomination of a person or persons as external auditors; and

4.22 Any such other functions as may be agreed by the Committee and the Board.

5. REPORTING TO THE EXCHANGE

The Committee must promptly report to the Exchange on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of the Exchange.

6. RETIREMENT AND RESIGNATION

In the event of any vacancy in the Committee, the Company shall fill in the vacancy within three (3) months.

7. MEETINGS

(a) The Committee shall meet at least four (4) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities;

(b) The quorum of the meeting shall consist of a majority of members present who must be Independent Directors;

(c) Any question arising at any meeting of the Committee shall be decided by a majority of votes, each member of the Committee having one (1) vote and a determination by a majority of the members of the Committee shall for all purposes be deemed a determination of the members of the Committee;

(d) The chairman of the Committee shall convene a meeting of the Committee to meet the external auditors or the internal auditors or both without any

executive directors and the employees of the Company present, whenever deemed necessary, to consider matters which should be brought to the attention of the directors or shareholders;

(e) The external auditors and internal auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee;

(f) The Committee may invite any Board member or any member of management or any employee of the Company who the Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary;

(g) The Company must ensure that other directors and employees attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting;

(h) Upon the request of the external auditors, the Chairman of the Committee must convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders of the Company;

(i) The Committee may participate in a meeting of the Committee by means of conference telephone, conference videophone or any similar or other communication equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting;

(j) A resolution in writing signed or approved by facsimile, letter, telegram, telex or telefax or other written electronic communications by a majority of the members of the Committee and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. All such resolutions shall be described as "Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the company secretary without delay, and shall be recorded by the company secretary in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members; and

(k) A member of the Committee is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual and perceived conflict of interest situation.

8. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) days before the date of the meeting, except in the case of an emergency, where reasonable notice of every Committee meeting shall be given in writing. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

9. SECRETARY AND MINUTES

(a) The company secretary or any members of the Committee shall be the secretary to the Committee ("**Secretary**");

(b) The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for drawing up the agenda and other supporting explanatory documentation for circulation to the members of the Committee prior to each meeting;

(c) The Secretary to the Committee will also be responsible for keeping the minutes of the meetings of the Committee, and circulating them to members of the Committee and to the Board for notation; and

(d) The Secretary to the Committee shall ensure that the minutes are properly kept and produced for inspection, if required.

10. REVIEW OF THE COMPOSITION OF THE COMMITTEE

The term of office and performance of the Committee and each of the members shall be reviewed by the Nominating Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

11. PUBLISHED AT THE WEBSITE

The written terms of reference of the Committee dealing with its authority and duties, and such information must be made available on the Company's website.

12. REVIEW OF THE TERMS OF REFERENCE

The Board shall review and assess the relevance of the terms of reference of the Committee from time to time or when changes to business environment or regulatory requirements necessitate a revision.

13. REVISION OF THE TERMS OF REFERENCE

The provisions of this terms of reference of the Committee can be amended and supplemented from time to time by a resolution of the Board.

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Reviewed Date : 03/09/2026
Revised Date : 03/09/2026