

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to financial reporting, audit, risk management, internal control and governance practices of the Company and each of its subsidiaries. In addition, the Audit Committee shall:-

2. Composition of members

The Board shall appoint the Audit Committee members from amongst its directors. The Audit Committee shall comprise at least three (3) members, all of whom shall be Non-Executive Directors, with a majority of the members being Independent Directors. The Board shall ensure that at least one:

- (a) member of the Audit Committee must be a member of the Malaysian Institute of Accountants (“MIA”); or
- (b) if he is not a member of MIA, he must have at least three (3) years of working experience and:
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) fulfils such other requirements as prescribed or approved by Bursa Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee.

The Chairman of the Committee shall be appointed by the Board and should be an Independent Non- Executive Director.

A former partner of the external audit firm of the Company or any affiliate firm shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

3. Retirement and Resignation

If any member of the Audit Committee retires, is re-designated, resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance with paragraphs 2 and 3 above, the Board and the members of the Audit Committee shall within three (3) months of the event appoint/elect such new member(s) or Chairman as may be required to fill the vacancy.

4. Secretaries

The Company Secretaries shall be the Secretaries of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

The Secretaries shall ensure that notices, agendas and meeting papers are circulated in a timely manner and that minutes accurately record the proceedings, deliberations, decisions and recommendations of the Audit Committee.

5. Meetings

The Audit Committee at least four (4) times a year, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities.

Where the elected Chairman is unable to attend a meeting, one of the Committee members shall be nominated to chair the meeting.

Subject to the notice and quorum requirements set out in the Terms of Reference, meetings of the Committee may be conducted by telephone or any other means of communication that enables all participants to hear one another. Any person participating by such means shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted towards the quorum accordingly.

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6. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7. Quorum

The quorum for an Audit Committee meeting shall be not less than two (2) members, and the majority of members present must be Independent Directors.

8. Circular Resolutions

A resolution in writing signed or approved by letter, electronic mail, electronic signature, telefax or other electronic/digital communication by majority Audit Committee Members who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. All such resolutions shall be described as "Audit Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretary

9. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board to get information within the Audit Committee's terms of reference. All employees of the Group shall comply with the requests made by the Audit Committee.

- (a) have authority to investigate any matter within its terms of reference, and full access to information. All employees shall co-operate as requested by members of the Audit Committee;
- (b) have full access to all information, records, properties and personnel required to perform its duties, as well as to the internal auditors, external auditors and senior management of the Company and Group;
- (c) obtain independent professional or other advice and invite persons with relevant experience or expertise to attend meetings, if necessary;
- (d) have direct communication channels with the external auditors and the

person(s) carrying out the internal audit function or activity

10. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

Risk Management and Internal Control

- (a) To identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures.
- (b) To review the adequacy and effectiveness of the Group's risk management, internal control and governance systems, including anti-bribery, anti-corruption and whistleblowing processes.
- (c) To review the Statement on Risk Management and Internal Control and any other related disclosures for inclusion in the annual report before recommending the same to the Board for approval.
- (d) To review, where applicable, the Group's sustainability reporting process, material sustainability matters and assurance arrangements insofar as they relate to risk management, internal control, governance and reporting integrity.

Financial Reporting

To review the quarterly results announcements to Bursa Securities and the year-end annual financial statements before submission to the Board, focusing particularly on:-

- (a) going concern assumption;
- (b) compliance with applicable financial reporting standards and other legal and regulatory requirements;
- (c) changes in, or implementation of, major accounting policies;
- (d) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- (e) significant adjustments, arising from the audit

Internal Audit Function

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- (a) To review the effectiveness of internal audit function includes the competency, ability and qualification of the internal audit team and or outsourced internal auditors to perform its duties
- (b) To review the internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (c) To review the internal audit plan, consider the audit reports and findings of internal audit and the actions and steps taken by Management in response to audit findings;
- (d) To review any appraisal or assessment of the performance of members of the internal audit function;
- (e) To consider and recommend to the Board the appointment, re-appointment or removal of the internal auditors, the audit fee and any question of resignation or dismissal.

Audit Process

- (a) To review the external auditors' audit plan, including the nature and scope of the audit, audit approach, audit report, evaluation of internal controls and coordination of the external audit process;
- (b) To review the annual performance assessment of the external auditors, including their suitability, objectivity and independence, and to make recommendations to the Board on the appointment or re-appointment of the external auditors;
- (c) In assessing or determining the suitability and independence of the external auditors, the Audit Committee shall take into consideration the following:
 - the adequacy of the experience, competency and resources of the external auditors;
 - the external auditors' ability to meet deadlines in providing services and responding to matters in a timely manner as contemplated in the external audit plan;
 - the nature and extent of non-audit services provided by the external auditors and the fees paid for such services relative to the audit fees; and
 - whether appropriate safeguards are in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or the tenure of the external auditors.
- (d) To review any matters concerning the appointment or re-appointment of the

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external auditors, the audit fees, and any questions relating to the resignation or dismissal of the external auditors;

- (e) To review the external auditors' audit report, management letter and Management's response to the management letter;
- (f) To be advised of any significant engagement of the external auditors for non-audit services within SC Estate Group, including the types of services rendered and the fees involved, to ensure that the external auditors' independence and objectivity are not compromised;
- (g) To review the external auditors' findings arising from the audit, particularly any comments, observations, audit recommendations and Management's responses, as well as the level of assistance provided by employees of SC Estate Group, in order to be satisfied that appropriate action is being taken; and
- (h) To review with the internal auditors matters relating to the Statement on Risk Management and Internal Control of SC Estate Group for inclusion in the Annual Report

Related Party Transaction/ Conflict of Interest Situations

- (a) To review all related party transactions, recurrent related party transactions and conflict of interest situations that may arise within the Group including any transaction, arrangement and procedure or course of conduct that may raise questions relating to Management's integrity, independence or transparency.
- (b) The Audit Committee shall also ensure that the relevant policies, procedures and disclosure requirements are complied with in accordance with the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable laws and regulations.

11. Review of Terms of Reference

This Terms of Reference shall be reviewed periodically and updated as necessary to ensure that it remains consistent with the Committee's objectives and responsibilities, the Listing Requirements, the MCCG, the Companies Act 2016, the Constitution of the Company and other applicable regulatory requirements.