

SYCAL VENTURES BERHAD

Company No.:200101011895 (547651-U)
(Incorporated in Malaysia)

AUDIT COMMITTEE

<u>Members</u>	<u>Designation</u>
(a) Tee Lay Peng	- Chairman of the Audit Committee, Senior Independent Non-Executive Director
(b) Dato' Shahrom Bin Abd Malik	- Independent Non-Executive Director
(c) Dato' Magaret Ting Thien Hung	- Independent Non-Executive Director

TERMS OF REFERENCE

1. OBJECTIVES

The principal objective of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practice of the Company and its subsidiaries and oversees the compliance with the relevant rules and regulations governing listed companies.

2. COMPOSITION

The Audit Committee shall be appointed by the Board from amongst their members, comprising at least three (3) members, all of whom must be non-executive directors and must not be substantial shareholders, with majority of them being independent directors. No alternate director shall be appointed as a member of the Audit Committee.

A member must be free from any relationships that, in the opinion of the Board, may interfere with the exercise of independent judgment in carrying out the functions of the Audit Committee.

At least one (1) member of the Audit Committee must be a member of Malaysian Institute of Accountants or possesses equivalent qualifications recognised under the Accountants Act, 1967 or fulfils such other requirements as may be prescribed by Bursa Malaysia Securities Berhad from time to time.

The members of the Audit Committee shall elect a Chairman from amongst their members who shall be an independent director. The Chairman shall report to the Board on the proceedings conducted at each Audit Committee meetings.

In the event of any vacancy in the Audit Committee with the result that the number of members is reduced to below three (3), the Board of Directors, must within three (3) months of that event, appoint such number of new members as may be required to make up minimum number of three (3) members.

3. MEETINGS

The quorum necessary for the transaction of business shall be constituted by a majority of the members of the Audit Committee. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

The Audit Committee will meet at least 4 times a year, with authority to convene additional meetings as circumstances require. The Audit Committee will invite members of management, auditors or others to attend meetings and provide pertinent information as necessary.

The Audit Committee shall report to the Board on its activities through presentations during the next Board meeting and/or by submission of the minutes of the Audit Committee meetings to the Board.

4. IN ATTENDANCE AT MEETINGS

Representatives of the internal auditors and external auditors are invited to meetings where relevant matters are discussed. Where necessary, the Audit Committee will invite any person to be in attendance to assist in its deliberation. Any other Directors and employees shall attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

5. AUTHORITY

The Audit Committee is authorized by the Board of Directors to investigate any activity within its terms of reference and shall have unlimited access to both the internal and external auditors, all information and documents relevant to its activities, as well as the employees of the Company. All employees are directed to cooperate with any request made by the Audit Committee.

The Audit Committee shall have direct access to the external auditors and be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

The Audit Committee shall have the authority to obtain independent legal or other professional advice as it considers necessary. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of fees to any advisors engaged by the Audit Committee.

It shall also have the power to establish sub-committee(s) to carry out certain investigation on its behalf in such manner as the Audit Committee shall deem fit and necessary.

6. SECRETARY TO AUDIT COMMITTEE

The Company Secretary shall be the Secretary of the Audit Committee responsible for drawing up the agenda in consultation with the Chairman. The agenda together with relevant explanatory papers and documents shall be circulated to Audit Committee members prior to each meeting. The Secretary shall be responsible for keeping the minutes of the meeting of the Audit Committee, circulating them to Audit Committee members and for ensuring compliance with Listing Requirements of Bursa Malaysia Securities Berhad.

7. REVIEW OF THE AUDIT COMMITTEE

The Board of Directors of the Company must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties accordance with their terms of reference.

8. SCOPE AND FUNCTIONS

The Audit Committee's responsibility is to oversee the financial reporting process and practices of the Company and to assist the Board in fulfilling its responsibilities to the shareholders, potential shareholders and the investment community to ensure the corporate accounting and reporting practices of the Company are in accordance with all applicable requirements.

The Audit Committee, to the extent it deems necessary or appropriate, shall:-

- consider and recommend the appointment and re-appointment of the external auditors, the compensation and any questions of resignation or dismissal, if any;
- assess the independence and objectivity of the external auditors annually taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- discuss with the external auditors on their audit plan including the assistance given by the employees of the Company to the external auditors;
- review and discuss the quarterly financial statements and audited financial statements of the Company with the management and the independent auditors, focusing particularly on:-
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements; and significant and unusual events;
- discuss problems and reservations arising from the audits and any matter the auditors may wish to discuss;
- review the external auditors' management letter and management's response;
- 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;
- review the internal audit programmes and results of the internal audit processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit;

- monitor the integrity of the financial statements of the Company, including its annual reports, preliminary results announcements and any other formal announcement relating to its financial performance;
- consider any related party transactions that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- review and reassess the adequacy of the Audit Committee Charter; and
- consider other topics as defined by the Board.

9. REVIEW

This terms of reference is reviewed and approved by the Board of Directors on 26th October 2021.