ANCOM NYLEX BERHAD [Registration No. 196901000122 (8440-M)]
Incorporated in Malaysia

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. PURPOSE AND GOVERNANCE PHILOSOPHY

1.1 The Board of Directors ("Board") of Ancom Nylex Berhad ("ANB" or "Company") is ultimately accountable for the integrity of the financial reporting of the Company and its subsidiaries (the "Group"), for the adequacy and effectiveness of the Group's system of internal control, and for the standards of integrity by which the Group conducts its business. That accountability is not delegated.

1.2 The Board establishes the Audit Committee ("Committee") to exercise focused, independent oversight on its behalf. The Committee does not manage the Group, prepare its accounts or operate its controls; those are the responsibilities of Management. The Committee's role is to satisfy itself, through informed and sceptical enquiry, that Management has discharged those responsibilities properly, and that the assurance placed before the Board is credible and complete.

1.3 The Committee's effectiveness rests on independence of mind, unrestricted access to information and to people, direct and candid relationships with the External Auditors and the Internal Auditors, and a willingness to escalate any matter that is not satisfactorily resolved. These Terms of Reference are to be read and applied with that intent, and are not to be treated as an exhaustive checklist limiting the Committee's enquiry.

1.4 These Terms of Reference are established pursuant to Paragraph 15.11 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and are guided by the Malaysian Code on Corporate Governance ("MCCG").

2. OVERSIGHT MANDATE

2.1 The Committee assists the Board by providing oversight of:

(a) the integrity of the financial statements of the Company and the Group, and the accounting and financial reporting processes that produce them;
(b) the adequacy and effectiveness of the Group's system of internal control and management information systems;
(c) the suitability, objectivity, independence and effectiveness of the External Auditors and of the external audit process;
(d) the effectiveness, independence, standing and resourcing of the internal audit function;
(e) the Group's compliance with applicable legal and regulatory requirements;
(f) the implementation and effectiveness of the Group's Anti-Bribery and Anti-Corruption Policy, Whistle-Blowing Policy and Anti-Money Laundering and Counter Terrorism Financing Policy;
(g) related party transactions and conflict-of-interest situations within the Group;
(h) the allocation of options to eligible Executive Directors, the Group Chief Executive Officer and employees under the Company's Employees' Share Option Scheme, against the approved allocation criteria; and
(i) the maintenance of open and direct channels of communication among the Board, Management, the External Auditors and the Internal Auditors.

2.2 Where a matter falls within the remit of both the Committee and another Board committee — in particular the Risk Management and Sustainability Committee in relation to risk management and sustainability — the Committee shall coordinate with that committee so that the matter is properly covered without duplication or gap, and shall report to the Board on how it has been dealt with.

3. COMPOSITION

3.1 The Committee shall be appointed by the Board from among its members and shall comprise no fewer than three members, all of whom must be Non-Executive Directors, with a majority being Independent Directors as defined in the Listing Requirements.

3.2 The Chairman of the Board shall not be a member of the Committee. No Alternate Director may be appointed a member of the Committee.

3.3 The Board shall appoint as Chairman of the Committee ("Chairman") a member who is an Independent Non-Executive Director.

3.4 All members shall be financially literate, and at least one member shall be a member of the Malaysian Institute of Accountants ("MIA") or shall fulfil the requirements of Paragraph 15.09(1)(c)(ii) or (iii) of the Listing Requirements.

3.5 All members shall undertake continuous professional development so as to remain current on developments in financial reporting, auditing, governance and the regulatory environment in which the Group operates.

3.6 A former partner of the Company's external audit firm, or of an affiliate of that firm (including a firm providing advisory or tax services), shall observe a cooling-off period of at least three years before appointment to the Committee. The purpose is to ensure that no member is in a position to have influenced the audit or the preparation of the financial statements now under the Committee's review.

3.7 A member who ceases to be a Director ceases to be a member of the Committee. Where a vacancy reduces the Committee below three members, the Board shall fill the vacancy within three months.

3.8 The Board, through the Remuneration & Nominating Committee, shall review the term of office and the performance of the Committee and of each of its members at least once every three years, to determine whether the Committee and its members have carried out their duties in accordance with these Terms of Reference.

4. AUTHORITY

4.1 In discharging its responsibilities the Committee has, at the Company's cost:

(a) explicit authority to investigate any matter within these Terms of Reference;
(b) the resources required to perform its duties;
(c) full and unrestricted access to any information, records, property and personnel of the Group;
(d) direct communication channels with the External Auditors and the Internal Auditors, and the ability to meet either or both of them without the presence of other Directors, Management or employees of the Group; and
(e) authority to obtain independent professional or other advice, and to require the attendance at its meetings of any person with relevant experience or expertise.

4.2 The Committee's authority is exercised as a committee. An individual member has no authority to act alone in the name of the Committee except as expressly delegated by it.

5. RESPONSIBILITIES

A. Financial Reporting

5.1 Review the quarterly results and the year-end financial statements of the Group before Board approval, focusing on: changes in, or the implementation of, major accounting policies; significant matters, including financial reporting issues, significant judgements made by Management, and significant or unusual events and transactions, and how those matters have been addressed; the appropriateness of the going concern assumption; and compliance with applicable approved accounting standards and other legal requirements.

5.2 Satisfy itself that the Group's accounting policies are appropriate and consistently applied, and challenge Management where an estimate or judgement appears to sit at the boundary of an acceptable range.

B. External Audit

5.3 Assess annually the suitability, objectivity and independence of the External Auditors and the effectiveness of the external audit process, in accordance with the External Auditors Assessment Policy, and report its findings and observations to the Board.

5.4 Consider and recommend to the Board the appointment, re-appointment or removal of the External Auditors and their audit fee.

5.5 Review and report to the Board on any letter of resignation from the External Auditors (together with any written representations or statement of circumstances relating to the resignation), and on whether there are grounds to believe that the External Auditors are not suitable for re-appointment.

5.6 Review with the External Auditors, and report to the Board on: the audit scope and plan; their evaluation of the quality and effectiveness of the accounting system and of the system of internal control; the audit report; the assistance given by employees, including any difficulty or dispute with Management encountered during the audit; the coordination of their work with the internal audit plan and reports; their management letter and Management's response; and any significant audit finding, reservation or material weakness reported.

5.7 Approve, or set the framework for approving, the engagement of the External Auditors for non-audit services in accordance with the External Auditors Assessment Policy, satisfying itself in each case that the objectivity and independence of the External Auditors is not compromised.

5.8 Meet the External Auditors without the presence of Management at least once in each financial year.

C. Internal Audit

5.9 Ensure that the Group has an internal audit function that is adequately resourced, has appropriate standing within the Group, is independent of the activities it audits, and is carried out in accordance with a recognised framework.

5.10 Approve the internal audit charter, and review with the Internal Auditors: the internal audit plan, programme, processes and reporting structure; the scope, competency and resources of the function and its authority to carry out its work; the findings of internal audit reports and of investigations undertaken, and whether appropriate action has been taken on recommendations; and the findings of any special investigation the Committee considers necessary, together with Management's response.

5.11 Review and recommend to the Board the budget for the internal audit function, and approve the appointment, remuneration, annual performance appraisal of Internal Audit function.

5.12 Ensure that the Internal Auditors report directly to the Committee, and meet them without the presence of Management at least once in each financial year.

D. Internal Control, Compliance and Assurance

5.13 Review the adequacy and effectiveness of the Group's system of internal control and management information systems, and the process by which the Board's Statement on Risk Management and Internal Control is prepared and supported.

5.14 Review the Group's arrangements for monitoring compliance with applicable laws, regulations and the Listing Requirements, together with any material instance of non-compliance and Management's response.

5.15 Review the arrangements by which internal audit, or an independent assurance provider, reviews the Group's sustainability-related disclosures, and report to the Board on the credibility of the assurance obtained, coordinating with the Risk Management and Sustainability Committee.

E. Integrity, Anti-corruption and Whistle-blowing

5.16 Oversee compliance with the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), including Section 17A, and review and recommend updates to the Anti-Bribery and Anti-Corruption Policy so that it remains aligned with the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act.

5.17 Oversee the implementation and monitoring of the Group's anti-bribery and anti-corruption programme, including the periodic corruption risk assessment, training and awareness initiatives, and the communication of the policy to Directors, employees and relevant third parties.

5.18 Receive and review reports of alleged or confirmed incidents of bribery, corruption, misconduct or breach of the Anti-Bribery and Anti-Corruption Policy, the outcome of investigations, and the disciplinary, legal and remedial action taken.

5.19 Ensure that internal audit includes anti-bribery and anti-corruption compliance in its audit plan, and that high-risk areas are subject to enhanced review.

5.20 Oversee the implementation and effectiveness of the Whistle-Blowing Policy and framework, satisfying itself that the reporting channels are accessible, confidential and secure (including for anonymous disclosures), that whistle-blowers acting in good faith are protected from retaliation or detrimental treatment, and that the channels are effectively communicated to employees, contractors and relevant external parties.

5.21 Receive reports of suspected misconduct, fraud, corruption or other improper conduct involving employees, Directors, contractors or business partners of the Group; ensure that each disclosure is independently assessed and impartially investigated by appropriately authorised persons; review the findings; and determine whether further action — disciplinary, referral to the authorities, or remediation of processes — is required.

5.22 Report to the Board on significant whistle-blowing matters and their outcomes, including those with material financial, legal or reputational implications, and on any finding or concern relating to corruption risk or non-compliance, recommending appropriate action including external reporting or referral to law enforcement where required.

5.23 Oversee the effectiveness of the Group's anti-money laundering and counter terrorism financing framework, and review significant matters reported under that Policy.

F. Related Party Transactions and Conflicts of Interest

5.24 Review related party transactions and recurrent related party transactions entered into by the Group, together with any transaction, procedure or course of conduct that raises a question of Management integrity.

5.25 Review conflict-of-interest situations that have arisen, persist or may arise within the Group, together with the measures taken or proposed to resolve, eliminate or mitigate them, and satisfy itself that appropriate procedures exist to identify, assess and monitor conflict-of-interest risk.

5.26 Review the disclosures on related party transactions and on conflict-of-interest situations to be made in the Company's annual report.

G. Other Responsibilities

5.27 Verify the allocation of options under the Employees' Share Option Scheme against the criteria approved by shareholders, and provide the statement required for inclusion in the Company's annual report.

5.28 Carry out ad hoc reviews of any other area where there is a concern affecting financial reporting or a threat to the safeguarding of the Group's assets.

5.29 Carry out such other responsibilities, functions or assignments as the Board may determine from time to time.

6. RELATIONSHIP WITH MANAGEMENT AND AUDITORS

6.1 The Chief Financial Officer and representatives of the Internal Auditors and the External Auditors shall attend meetings of the Committee where required. The Committee may invite any other Director, member of Management or adviser to attend in order to provide information or assistance. Attendance by any other Director or employee is by invitation only and is specific to the meeting concerned.

6.2 The Chairman shall engage regularly, outside the meeting cycle, with the Executive Vice Chairman, the Managing Director / Group Chief Executive Officer (or equivalent), the Chief Financial Officer, the Chief Integrity Officer, other Senior Management, the Internal Auditors and the External Auditors, so as to remain informed of matters affecting the Company and the Group.

7. MEETING AND PROCEEDINGS

7.1 The Committee shall meet at least once each quarter. Additional meetings may be convened by the Board, at the request of any member of the Committee, the External Auditors or the Internal Auditors, or at the Chairman's discretion.

7.2 The quorum for a meeting is two members, both of whom must be Independent Directors.

7.3 The agenda and meeting papers shall be circulated to all members, and to any other person required to attend, at least seven days before the meeting, unless that requirement is waived by the members at the meeting.

7.4 Each member has one vote. Decisions are made by a majority of votes. In the case of an equality of votes the Chairman, or in the Chairman's absence the member chairing the meeting, has a second and casting vote.

7.5 A resolution in writing signed or approved by electronic means by a majority of the members is as effective as a resolution passed at a duly convened meeting, and may consist of several documents in like form each signed by one or more members.

7.6 One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman, shall settle the agenda for each meeting and shall be responsible for keeping proper records of the Committee's minutes and resolutions.

7.7 The Secretary shall minute the proceedings and resolutions of every meeting. Minutes confirmed at a subsequent meeting and signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be a correct record of the proceedings. Minutes shall be kept by the Secretary and are open to inspection by any member of the Committee or of the Board.

8. REPORTING

8.1 The Chairman shall report to the Board on the proceedings of each meeting and on all matters within the Committee's responsibilities, and the Committee shall make such recommendations to the Board as it considers appropriate in any area within its remit where action or improvement is needed. Minutes of Committee meetings shall be tabled to the Board for notation.

8.2 Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the Listing Requirements, the Committee shall promptly report the matter to Bursa Malaysia Securities Berhad, in accordance with Paragraph 15.16 of the Listing Requirements.

8.3 The Committee shall prepare the Audit Committee Report on the activities carried out in discharging its duties during the financial year, for inclusion in the Company's annual report.

8.4 The Committee, together with the Risk Management and Sustainability Committee, shall prepare the Statement on Risk Management and Internal Control for inclusion in the Company's annual report in accordance with Paragraph 15.26(b) of the Listing Requirements, guided by the MCCG and by the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies*.

8.5 The Chairman shall attend the general meetings of the Company to provide explanations and to respond to questions relating to the Committee's activities.

9. REVIEW AND PUBLICATION

9.1 These Terms of Reference shall be reviewed by the Committee at least once every three years, and whenever there is a material change in the applicable law, regulation or governance guidance, or in the circumstances of the Group. Any amendment is subject to the approval of the Board.

9.2 These Terms of Reference shall be made available on the Company's website at www.ancomnylex.com.

DOCUMENT CONTROL

Document	Terms of Reference of the Audit Committee
Owner	Audit Committee
Approved by	Board of Directors
Date of approval	29 September 2026
Supersedes	Terms of Reference of the Audit Committee dated 11 July 2024