ANCOM LOGISTICS BERHAD [Registration No.: 196601000150 (6614-W)] (Incorporated in Malaysia)	Date of Revised Statement	29 July 2026
	Approved by the Board of Directors	29 September 2026
	Supersedes	Terms of Reference of the Audit Committee dated 11 July 2024

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

COMPOSITION

The Audit Committee ("Committee") shall be appointed by the Board of Directors of the Company ("Board") from amongst its members. It shall comprise at least three (3) members, all of whom must be Non-Executive Directors, with a majority being Independent Directors as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

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

At least one member of the Committee must be a member of the Malaysian Institute of Accountants or fulfil the requirements under Paragraph 15.09(1)(c)(ii) and (iii) of the Listing Requirements and shall possess appropriate accounting expertise and experience to ensure effective oversight of financial reporting. All members of the Committee should undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

All members of the Committee shall possess appropriate financial literacy, including the ability to read, understand and analyse financial statements, and shall continuously update and enhance their knowledge and skills through relevant training and professional development programmes to enable them to discharge their duties effectively, taking into account evolving accounting standards, regulatory requirements and best practices.

Former partners of the external audit firm and/or affiliate firm (including those providing advisory services, tax consulting etc.) must observe a cooling-off period of at least three (3) years before they can be appointed as members of the Committee. This is to avoid potential conflict of interest, as a former audit partner may be in a position to exert significant influence over the audit and preparation of the Group's financial statements.

The Committee will appoint a member, who must be an Independent Non-Executive Director, as the Chairman of the Committee ("Chairman") to ensure the overall effectiveness and independence of the Committee.

In the event of any vacancy in the Committee resulting in the Committee having less than three (3) members, the Board shall, within three (3) months of that event fill the vacancy. All members of the Committee shall hold office until otherwise determined by the Board. If a member ceases to be a Director of the Board, that member ceases to be a member of the Committee.

SECRETARY

One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman of the Committee, will be responsible for determining the agenda for each Committee meeting. The Secretary will also be responsible for keeping proper records, including the minutes and resolutions of the Committee.

OBJECTIVES

The Committee serves to assist the Board in fulfilling its fiduciary responsibilities by providing an oversight on:

1. the accounting and financial reporting processes of the Company and its subsidiaries ("Group");

2. the integrity of the Company's and the Group's financial statements;
3. the Group's compliance with applicable legal and regulatory requirements;
4. the adequacy and effectiveness of the Group's system of internal controls and management information system;
5. the implementation of the Group's Anti-Bribery and Anti-Corruption Policy and Whistle-Blowing Policy;
6. the conflict-of-interest situations and related party transactions; and
7. the maintenance of open channels of communication among the Board, Management of the Company and the External Auditors and Internal Auditors.

GENERAL MEETINGS

The Chairman shall attend the general meetings of the Company to provide explanation or responses to questions relating to the Committee's activities.

FUNCTIONS

1. The duties and responsibilities of the Committee include the following:

A. EXTERNAL AUDIT

(i) To consider and recommend to the Board on the appointment or re-appointment of External Auditors and fix their audit fee after assessing their independence and capabilities as well as the effectiveness of the external audit process in accordance with the External Auditors Assessment Policy;

(ii) To review and approve the provision of non-audit services by the External Auditors and ensure that such services do not impair their independence or objectivity;

(iii) To review the policies and procedures governing the rotation of the audit engagement partner in accordance with applicable laws and regulatory requirements;

(iv) To review the following and report to the Board:

(a) letter of resignation from the External Auditors or suggestions for their dismissal, including a copy of any written representations or statement of circumstances in relation to the resignation made by the External Auditors, if applicable; and

(b) whether there is reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment;

(v) To review the following with the External Auditors and report the same to the Board:-

(a) the audit scope and plan;

(b) evaluation of the quality and effectiveness of the accounting system;

(c) evaluation of the system of internal controls;

(d) audit report;

(e) the assistance given by the employees to the External Auditors, including any difficulties or disputes with Management encountered during audit;

(f) coordination of audit works with reference to the internal audit plans and reports;

(g) External Auditors' management letter and management's response thereto; and

(h) any significant audit findings, reservations, or material weaknesses reported by the External Auditors.

(vi) To review the quarterly results and year-end financial statements of the Group, before the approval of the Board, focusing particularly on:-

(a) changes in or implementation of major accounting policy changes;

(b) significant matters highlighted including financial reporting issues, judgement made by Management, significant and unusual events or transactions and how these matters are addressed;

(c) appropriateness of going concern assumptions used in preparation of financial statements; and

(d) compliance with applicable approved financial reporting standards and other legal requirements;

(vii) To assess the suitability, objectivity and independence of the External Auditors by conducting annual assessment and report the findings and observation to the Board.

B. INTERNAL AUDIT

(i) To ensure the internal audit function is effective and independent of the activities it audits and free from any undue influence or interference from Management;

(ii) To ensure the internal audit function is carried out in accordance with a recognised framework;

(iii) To review the following with the Internal Auditors and report to the Board:

(a) the internal audit plan, programme, processes, and the reporting structure;

(b) the scope, competency and resources of the internal audit function, ensuring it has the necessary authority to carry out its work;

(c) the findings of the internal audit reports, investigations undertaken and whether or not appropriate actions are taken on the recommendations; and

(d) any findings of special internal audit investigations which the Committee deems necessary and Management's response.

(iv) To review the appraisal or assessment of the performance of the internal audit function on an annual basis;

(v) To review and recommend to the Board the budget for the internal audit function;

(vi) To ensure that the Internal Auditors report directly to the Committee. However, on a day-to-day basis, the Committee may select a representative to liaise with the Head of Internal Audit;

(vii) To review and report to the Board any related party transactions and conflict-of-interest situation that arose, persist or may arise together with the measures to resolve, eliminate or mitigate such conflicts within the Company or the Group; and

(viii) To carry out ad-hoc reviews of other areas where there is a concern that affects financial reporting or a threat on the safeguarding of the Group's assets.

C. ANTI-BRIBERY AND ANTI-CORRUPTION

(i) To oversee the Company's compliance with the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), including Section 17A, and other applicable anti-corruption laws and regulations;

(ii) To review and to update the Company's Anti-Bribery and Anti-Corruption ("ABAC") policies and procedures to ensure continued alignment with the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act and to ensure that the policies remain effective and fit for purpose;

(iii) To oversee the implementation and monitoring of the Company's ABAC programme, ensuring that regular training and awareness initiatives are conducted for the Group's Directors and employees; and that ABAC policies and procedures are effectively communicated to all Directors and employees and relevant third parties;

(iv) To review reports of alleged or confirmed incidents of bribery and corruption, and to ensure that independent and impartial investigations are conducted in accordance with the Company's Whistle-Blowing Policy;

(v) To receive and review reports on corruption related misconduct, including investigation outcomes and the subsequent disciplinary measures, legal actions and remediation measures undertaken;

(vi) To ensure that internal audit incorporate ABAC compliance into its audit plan, with enhanced focus on high-risk areas; and

(vii) To report to the Board on any findings, concerns or corruption-related risks and to recommend appropriate action, including external reporting or referral to law enforcement authorities, if required.

D. WHISTLE-BLOWING

(i) to oversee the implementation, effectiveness and continuous improvement of the Group's Whistle-Blowing Policy and framework, ensuring alignment with applicable laws and regulatory expectations;

(ii) To ensure that the Whistle-Blowing Policy provides secure, confidential, and accessible channels for reporting wrongdoing (including anonymous disclosures); protects whistleblowers from retaliation; and is effectively communicated to employees, contractors, and relevant external parties;

(iii) To receive reports of suspected misconduct, fraud, corruption, or other unethical behaviour involving Directors, employees, contractors or business partners of the Group;

(iv) To ensure that all whistle-blower disclosures are independently assessed and that investigations are conducted impartially by authorised parties including internal audit, the integrity unit, or external professionals;

(v) To review investigation findings and determine whether further action is required, including disciplinary measures, reporting to authorities, or implementing process remediation; and

(vi) To report significant whistle-blowing cases and investigation outcomes to the Board, especially those with material financial, legal, or reputational impacts.

(vii) To ensure that such investigations are conducted independently.

E. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

(i) To review reports on related party transaction and conflict-of-interest situations that have arisen, persist or may arise within the Group, including any transactions, procedures or conduct that may raise questions of management integrity (including recurrent related party transactions); and

(ii) to ensure that appropriate procedures are in place to identify, assess and monitor conflict -of-interest risks and that measures are implemented to resolve, eliminate or mitigate such conflicts;

F. OVERSIGHT OF LITIGATION, CLAIMS AND REGULATORY MATTERS

The Committee shall review and monitor significant litigation, claims, disputes and regulatory investigations, including potential contingent liabilities, that may have a material impact on the Group's financial position, financial performance or financial statements.

The Committee shall assess the adequacy of provisions, disclosures and management's risk mitigation measures relating to such matters and report its findings to the Board, where appropriate.

G. OTHERS

(i) To carry out other responsibilities, functions or assignments as may be delegated by the Board from time to time.

2. The Chief Financial Officer, the representative(s) of the Internal Auditors and External Auditors should attend the Committee meetings where required. The Committee may also invite other Director, any member of Management or consultants to attend its meetings to assist and provide pertinent information, as necessary.

3. The Committee is to convene meetings with the External Auditors or Internal Auditor(s), or both, excluding other Directors and employees of the Company and the Group whenever it deems necessary. The Committee shall meet with the External Auditors without the presence of Management at least once annually.

4. The Chairman should engage regularly with senior management such as the Executive Vice Chairman, the Managing Director/Group Chief Executive Officer (or equivalent), the Chief Financial Officer, the Chief Integrity Officer and other Senior Management, the Internal Auditors and External Auditors in order to be kept informed of matters affecting the Company and the Group.

AUTHORITY

In discharging the functions as stated above, the Committee shall have at the cost of the Company:

(i) explicit authority to investigate any matter within its Terms of Reference;

(ii) all the resources that are required to perform its duties;

(iii) full and unrestricted access to any information pertaining to the Group;

(iv) direct communication channels with the External Auditors and Internal Auditors, and the ability to convene meetings at its discretion with either or both of the above, without the attendance of other Directors, Management or employees of the Group; and

(v) the authority to obtain independent professional or other advice and to secure the attendance of any persons with relevant experience and expertise to attend its meetings, if necessary.

MEETINGS

The Committee shall meet at least every quarter. Additional meetings can be called by the Board of Directors or upon the request of any member of the Committee, the External Auditors or the Internal Auditors and/or at the Chairman's discretion.

The quorum for a Committee meeting shall be two (2) members, both of whom must be Independent Directors. The meeting agenda shall be sent to all Committee members and any other persons required to attend the meeting at least five (5) working days in advance unless such requirement is waived by the Committee member at the meeting.

Members of the Committee are expected to attend meetings regularly and shall attend at least fifty per cent (50%) of the Committee meetings held during a financial year and their attendance shall be disclosed in the Company's Annual Report.

The Board shall consider a member's attendance record when assessing the performance, suitability and continued appointment of the Committee member.

Each Committee member shall have one vote. Decisions of the Committee will be made by a majority vote. In the case of an equality of votes, the Chairman, or if he is absent, the chairman of the meeting elected from amongst the Committee members attending the meeting, shall have a second and casting vote.

The attendance of other Directors and/or employees of the Group at any particular Committee meeting shall only be at the invitation of the Committee members, and such invitation shall be specific to each Committee meeting.

REPORTING RESPONSILITIES

The Chairman shall report formally to the Board on the proceedings of each of its meeting and all matters within the Committee's duties and responsibilities. Minutes of the Committee Meeting shall also be presented to the Board for notation. The Committee shall make recommendations to the Board as it deems appropriate on any area within its remit where actions or improvement are needed. The Board shall evaluate the performance and effectiveness of the Committee and its members on an annual basis.

The Committee shall make an Audit Committee Report in the Company's Annual Report about its activities carried out in discharging its duties as per its Terms of Reference during the financial year.

The Committee shall make a Statement of Risk Management and Internal Control in the Company's Annual Report in accordance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, and guided by the Malaysian Code on Corporate Governance (updated on 28 April 2021), as well as the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

MINUTES AND RESOLUTIONS

The Secretary shall minute the proceedings and resolutions of all Committee meetings. The minutes of a Committee meeting after being affirmed at the subsequent Committee 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 deemed a correct recording of the proceedings thereat.

Minutes of each Committee meeting, including supporting papers and related records, shall be properly recorded, maintained and retained by the Company for a minimum period of **seven (7) years**, in accordance with applicable laws, regulatory requirements and good governance and record-keeping practices.

The minutes shall be circulated to Committee members for review and confirmation and shall be made available to the Board for noting.

The minutes shall be kept by the Secretary and shall be open for inspection by any Committee members or the Board members.

A resolution in writing, signed or approved via any electronic means by a majority of the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

PUBLICATION AND REVIEW

The Terms of Reference shall be made available on the Company's website at www.ancomlogistics.com.my.

The Board shall review the Terms of Reference at least once every three (3) years and make such amendments deemed necessary to ensure that it continues to be relevant, effective and in compliance with the Board's objectives, the Company's operational requirements, prevailing corporate governance best practices, and applicable laws and regulations.

Changes to the Terms of Reference shall be subject to the approval of the Board.