



GOLD LI HOLDINGS BERHAD

Registration No.: 202501005805 (1607219-H)

TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

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TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

1. OBJECTIVES

The primary function of the Audit and Risk Management Committee (“the Committee”) Gold Li Holdings Berhad (“the Company”) is to assist the Board with its responsibilities. This includes assessing the suitability, objectivity and independence of the external auditors, reviewing the Company’s financial reporting process, transactions, and other financial information, scrutinizing information for disclosure to shareholders to ensure its material accuracy, adequacy, timeliness and challenging management’s assertions on the Company’s financials.

2. COMPOSITION OF THE COMMITTEE

- 2.1 The members of the Committee shall be appointed by Board amongst its Directors and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being independent directors.
- 2.2 The chairman of the Board shall not be appointed as a member of the Committee.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 All members of the Committee should be financially literate, competent and have sufficient understanding of the Company’s business and must be able to read, analyse, interpret and understand financial statements and ask pertinent questions about the Company’s financial reporting process.
- 2.5 At least one (1) member of the Committee:
- (a) must be a member of the Malaysian Institute of Accountants (“MIA”); or
 - (b) if he/she is not a member of the MIA, he/she must have at least three (3) years’ working experience; and
 - (i) he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) he/she must be a member of one of the Associations of Accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - (c) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad (“Bursa Securities”).
- 2.6 A former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting, etc.) of the Company or any entity within the Group is required to observe a cooling period of at least three (3) years before being appointed as a member of the Committee.
- 2.7 The term of office, the effectiveness and performance of the Committee and each of its 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 these terms of reference.
- 2.8 The appointment of a member of the Committee shall automatically be terminated if the member ceases to be a Director of the Company for any reason whatsoever or as determined by the Board. Member of the Committee may relinquish their membership with prior written notice to the Board.
- 2.9 In the event of any vacancy in the Committee resulting in the total number of members falling below three (3), the vacancy shall be filled within three (3) months of that event.

3. CHAIRPERSON

- 3.1 The Chairperson of the Committee (“**Chairperson**”) shall be an Independent Non-Executive Director.
- 3.2 In the absent of the Chairperson or if he/she is not present at any Committee meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the Committee present shall elect a Chairperson amongst themselves to chair the meeting.

4. SECRETARY(IES)

- 4.1 The Company Secretary(ies) of the Company shall be the Secretary(ies) of the Committee.
- 4.2 The Secretary, in consultation with the Chairperson, shall draw up the agenda of the meeting. The agenda, together with the relevant meeting materials, shall be circulated at least seven (7) days or shorter notice where it is unavoidable, prior each meeting to the members of the Committee.

5. QUORUM AND MEETING PROCEDURES

- 5.1 The Committee shall meet at least four (4) times per year or more frequently as circumstances require. The Chairperson may call for additional meetings at any time at the discretion of the Chairperson.
- 5.2 Reasonable notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, except in the case of emergency, where the Committee may waive such requirement.
- 5.3 The quorum for the meeting shall be two (2) Members and the majority of Members of the Committee present must be independent directors.
- 5.4 No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 5.5 If any member is unable to be physically present, Member may participate in a meeting of the Committee by means of a telephone conference, video conference or any other electronic telecommunication device which allows all persons participating in the meeting to communicate with each other. Any member so participating in a meeting shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 5.6 The main venue of the meeting of the Committee shall be the place where the Chairperson of the meeting is present. A Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all Committee members as a whole to participate for the entire duration of the virtual meeting, provided the following conditions are met:
- (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairperson of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.

- 5.7 A matter put to vote at the Committee meeting shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson has the casting vote. However, the Chairperson shall not have a casting vote when only (2) members of the Committee form a quorum or when only two (2) members are competent to vote on the question at issue.
- 5.8 The Committee may, as and when deemed necessary, invite any Board member(s) or any member(s) of management or any employee(s) of the Company, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 5.9 A member of the Committee who has an interest or is involved directly or indirectly in any matter which may give rise to an actual or perceived conflict of interest ("COI") situations under consideration by the meeting, shall declare his/her interest in the matters and abstain from deliberating and voting.

6. MINUTES

- 6.1 Minutes of each meeting shall be signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next succeeding meeting.
- 6.2 The duly signed minutes shall be kept at the Company's registered office and made available for inspection by any Committee member(s) or Board member(s) upon request.
- 6.3 The minutes of each Committee meeting shall be circulated promptly to all members of the Committee for approval and table the same to the Board members for notation.

7. CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter or other written electronic communications by the majority of the Members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Audit and Risk Management Committee Members' Circulation Resolution(s)" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay and shall be recorded by the Company Secretary(ies) in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

8. REPORTING

The Committee, through its Chairperson, shall report a summary of proceedings of each meeting and significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

9. AUTHORITY

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to all information and documents which are required to perform its duties, as well as to the internal and external auditors, and management of the Group;
- (d) obtain independent professional advice and invite persons with relevant experience to attend the Committee meetings, if necessary;

- (e) have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
- (f) convene meetings with external auditors, internal auditors or both, without the presence of Executive Directors and the Management, at least once a year or whenever deemed necessary;
- (g) authorise an investigation where there is possible fraud, illegal acts or suspected violation of the Code of Ethics and Conduct involving Senior Management or members of the Board;
- (h) have immediate access to reports on fraud or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations by the management or employees of the Company and the Group which come to its attention and are of sufficient importance to warrant the attention of the Board; and
- (i) where the Committee is of the view that the matter reported by them to the Board has not been satisfactorily resolved, resulting in a breach of the Listing Requirements of Bursa Securities ("Listing Requirements"), the Committee shall promptly report such matter to Bursa Securities.

10. DUTIES, FUNCTIONS AND RESPONSIBILITIES

The duties, functions and responsibilities of the Committee are as follows:

- (a) to consider any matters concerning the appointment and re-appointment, the audit and non-audit fees and any questions of resignation or dismissal of external auditors, and further ensure the suitability, objectivity and independence of external auditors;
- (b) to review with the external auditors:
 - (i) their audit plan, scope and nature of the audit of our Group;
 - (ii) their evaluation and findings of the system of risk management and internal controls;
 - (iii) their audit reports on financial statements;
 - (iv) the management letter and management's response with regard to problems and reservations arising from their audits;
 - (v) the coordination of audits where more than one audit firm is involved; and
 - (vi) any other matters that the external auditors may wish to discuss (in the absence of management where necessary).
- (c) to ensure coordination between the external auditors and the internal auditors;
- (d) to review and assess the adequacy of the scope, functions, competency, experience and resources of the internal audit functions of which the internal auditors should report directly to the Committee and to ensure the internal auditors are independent and objective and have the relevant qualifications and be responsible for assuring the Committee that the internal controls are operating effectively;
- (e) to review the internal audit plan, processes, the results of internal audit assessments, investigations undertaken and whether or not appropriate action is taken on the recommendations made;
- (f) to review the adequacy and effectiveness of our Group's internal control systems, anticorruption and whistle-blowing as evaluated, identified and reported by our management, internal or external auditors as well as to review whether actions taken to ratify the same are appropriate or timely;
- (g) to review the quarterly results and year-end financial statements of our Group before the approval by our Board;
- (h) to prepare the Audit and Risk Management Committee's Report at the end of each financial year for inclusion in the annual report of our Company;

- (i) to ensure that the Board establishes a comprehensive framework/policy to identify, evaluate, approve and report related party transactions;
- (j) conflict of interest ("COI")
 - (i) to review the adequacy of the arrangements within the Group for the purpose of identifying, evaluating, approving, reporting, monitoring and mitigating COI (including potential, actual, perceived or persisting COI) within the Group involving Directors and key senior management of the Company;
 - (ii) to review the COI matters based on the assessment conducted by the management including any potential, actual, perceived or persisting COI within the Group on a quarterly basis and report to the Board for deliberation including the measures taken to resolve, eliminate, or mitigate such COI;
 - (iii) to review any COI situations to ensure that interested parties do not abuse their powers to gain unfair advantage; and
 - (iv) to include in the Audit and Risk Management Committee Report a summary of any COI or potential COI situation(s) reviewed by the Committee and the measures taken to resolve, eliminate, or mitigate such conflicts.
- (k) to assist the Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing our Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within our Group;
- (l) to review our Group's risk management policy and implementation of the risk management framework;
- (m) to report promptly to Bursa Securities on any matter which has not been satisfactorily resolved resulting in a breach of the Listing Requirements;
- (n) to verify the allocation of options under a share issuance scheme or the allocation of shares according to any incentive plan for employees of our Group, if any;
- (o) to review and conduct an annual performance evaluation of the internal and external auditors in respect of each financial year under review; and
- (p) to carry out such other functions or assignments as may be delegated by our Board from time to time.

11. REVIEW OF THE TERMS OF REFERENCE

The Committee shall periodically review and update this Terms of Reference to ensure its relevance, effectiveness and alignment with the Group's objectives, practices and current laws and regulations. Any amendments to this Terms of Reference will be recommended to the Board for approval.

This Term of Reference is made available on the Company's website.

12. APPROVAL

This Terms of Reference (Version No. 1) was reviewed and approved by the Board on 28 July 2025.