TERMS OF REFERENCE

1.0 OBJECTIVE

This Terms of Reference ("**TOR**") of the Audit and Risk Management Committee ("**ARMC**") of Liftech Group Berhad ("**Company**") is to establish a formal procedure to guide the Board of Directors ("**Board**") in fulfilling its fiduciary responsibilities and roles relating to corporate accounting, financial reporting, internal control, risk management, the audit process, and the compliance and regulations of the Company and its subsidiaries ("**Liftech**" or the "**Group**") pursuant to the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and approved by the Board.

2.0 STRUCTURE AND COMPOSITION OF THE COMMITTEE

The ARMC shall be appointed by the Board from amongst the Directors of the Company who fulfill the following requirements:

1) The ARMC must consist of a minimum of three (3) members;

2) All the ARMC members must be Non-Executive Directors with a majority of them being Independent Directors;

3) All the ARMC members shall be financially literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process and have a mixture of expertise and experience, including sufficient understanding of the industries in which the Group operates in order to challenge and facilitate robust discussions on the management of the Group's key risk areas with the ability to anticipate, assess and mitigate potential future risks to the Group; and

4) At least one (1) member of the ARMC:

   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 association of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

      iii) he/she fulfills such other requirements as prescribed or approved by Bursa Securities.

The members of the ARMC shall elect a Chairperson from among themselves who shall be an Independent Director and who is not the Chairperson of the Board. The Chairperson of the ARMC must be approved by the Board.

No Alternate Director shall be appointed as a member of the ARMC. Where a former key audit partner, as defined under the Malaysian Code on Corporate Governance ("**MCCG**"), is appointed to the Board of the Company, he/she is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.

Any member of the ARMC who wishes to retire or resign must provide sufficient written notice to the Company so that a replacement may be appointed before he/she leaves. In the event of any vacancy in the ARMC resulting in non-compliance with items (1) and (4) above and the AMLR of Bursa Securities pertaining to the structure and composition of the ARMC, the Board shall, upon recommendation of the Nomination Committee ("**NC**") fill the vacancy within three (3) months from such vacancy.

The terms of office and performance of the ARMC and each of its members shall be reviewed by the Board via NC and Remuneration Committee ("**RC**") annually to determine whether the ARMC and its members have carried out their duties in accordance with its TOR.

3.0 MEETING

3.1 Frequency

Meetings shall be held not less than four (4) times a year, with additional meetings convened as and when necessary with due notice of issues to be discussed and it shall record its conclusions in discharging its duties and responsibilities. Upon the request of the External Auditors or Internal Auditors, the Chairperson of the ARMC may convene a meeting of the ARMC to consider any matter that the External Auditors or Internal Auditors believes should be brought to the attention of the Directors or the Shareholders of the Company.

The ARMC shall meet with the External Auditors and Internal Auditors without the presence of any Executive Directors or Members of the Management.

The External Auditors and Internal Auditors have the right to appear and be heard at any meeting of the ARMC and shall appear before the ARMC when required to do so by the ARMC.

Each member of the ARMC is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority of votes shall be the decision of the ARMC. In the event of an equal number of votes, the Chairperson of the ARMC shall be entitled to a second or casting vote.

In the interval between ARMC meetings, for exceptional matters requiring urgent decisions, the ARMC approvals may be sought via circular resolutions which are accompanied with sufficient information for an informed decision. A resolution in writing, signed by the majority of the members of the ARMC shall be valid and effective as if it had been passed at a meeting of the ARMC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the ARMC's members and shall be as valid and effective as if it were a resolution duly passed at a meeting of the ARMC. Any such document may be accepted as sufficiently signed by a member of the ARMC if transmitted to the Company by any technology purporting to include a signature and/or electronic signature by the said members.

An ARMC member shall excuse himself/herself from the meeting during discussion or deliberations of any matter that gives rise to an actual or perceived conflict of interest situation for the ARMC members.

Other Board Members, Management and external professional advisers shall attend any particular meetings only upon invitation by the Chairperson of the ARMC.

In the event the elected Chairperson is unable to attend a meeting, a member of the ARMC shall be nominated as Chairperson for the meeting.

3.2 Quorum

The quorum for the ARMC meeting shall consists of at least two (2) members. The majority of the members present must be Independent Directors. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the ARMC may determine.

A duly convened meeting of the ARMC at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested by the ARMC.

Any member of the ARMC may participate in any meeting of the ARMC via telephone conferencing, video conferencing or by means of any communication equipment that allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

3.3 Secretary

The Company Secretary shall be the Secretary of the ARMC or in his/her absence, another person authorised by the Chairperson of the ARMC. The Secretary shall be responsible for issuing the agenda with the concurrence of the Chairperson and circulating it, accompanying it with explanatory statements and other relevant documents to the ARMC members prior to each meeting. The Company Secretary is also responsible for keeping the minutes of meetings of the ARMC, circulating them to ARMC members and to the other members of the Board and following up on outstanding matters. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The Secretary shall keep the minutes of meetings properly filed at the registered office of the Company and shall produce the minutes of meetings for inspection when necessary. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the ARMC.

3.4 Notice

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the ARMC, any other person required to attend and all other Non-Executive Directors, no later than seven (7) days before the date of the meeting except in the case of an emergency. Supporting papers shall be sent to the ARMC members and other attendees as appropriate at the same time.

Unless a meeting is called on short notice, the agenda for each meeting and the meeting papers shall be circulated to the ARMC members at least five (5) full working days before each meeting.

3.5 Reporting Procedure

The Chairperson of the ARMC shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The ARMC shall also make whatever recommendation to the Board as it deems appropriate for any area within its remit where action or improvement is needed.

The minutes of each meeting shall be circulated by the Company Secretary to the ARMC members and to all members of the Board.

The ARMC shall prepare an annual report to the Board that provides a summary of the activities of the ARMC for inclusion in the Company's annual report.

The ARMC shall assist the Board in preparing the following for publication in the Company's annual report:

1) Statement on the Company's application and extent of compliance with the principle and recommendations as set out in the MCCG specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;

2) Statement on the Board's responsibility for preparing the annual audited accounts; and

3) Statement about the state of risk management and internal control of the Group.

The ARMC shall report promptly any matters resulting in the breach of AMLR of Bursa Securities to the Board. Where the ARMC believes that such matter reported by it to the Board has not been satisfactorily resolved, the ARMC shall promptly report such matter to Bursa Securities.

3.5 Attendance

Other Directors and employees may be invited by the ARMC to attend any particular meeting of the ARMC.

The ARMC shall meet with the External Auditors at least twice a year without present of any Executive Directors.

The Chairperson of the ARMC should attend the Annual General Meeting of the Company to answer any questions raised by the shareholders relating to the ARMC's activities.

4.0 RIGHTS AND AUTHORITY

a) The ARMC is authorised by the Board to investigate any activities within its TOR. It is authorised to seek any necessary resources or information it requires from any employee, where reasonable, to perform its duties with full and unrestricted access to any information, records, properties and personnel pertaining to the Group and the Company. All employees of the Group are directed to cooperate on any request made by the ARMC.

b) The ARMC is authorised by the Board to obtain legal advice or other independent professional advice if it deems or considers necessary.

c) The ARMC is empowered to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary, to enable the ARMC and the External Auditors and/or Internal Auditors to discuss problems and reservations and any other matter that the External Auditors and/or Internal Auditors may wish to bring to the attention of the ARMC.

d) The ARMC has direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity.

5.0 FUNCTIONS, DUTIES AND RESPONSIBILITIES

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

1) To review the quarterly results and year-end financial statements of the Group and the Company before recommending them to the Board for approval, focusing particularly on:

    a) any changes in or implementation of major accounting policies and practices;

    b) significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and significant matters/adjustments highlighted arising from the audit;

    c) the going concern assumption; and

    d) compliance with accounting standards and other legal and regulatory requirements.

2) To recommend the nomination of a person or persons as the External Auditors and to review the audit fee;

3) To consider any letter of resignation from the External Auditors and relevant questions pertaining to their resignation or dismissal as well as whether there is reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment;

4) To review and discuss the audit plan with the External Auditors, before the audit commences, the nature and scope of the audit plan, and ensure coordination where more than one audit firm is involved;

5) To review with the External Auditors, their evaluation of the Group's system of internal controls;

6) To review with the External Auditors, their audit report to the Committee and management's response;

7) To review any management letter sent by the External Auditors and the Management's response to such letter;

8) To review the financial statements of the Group with both the External Auditors and the Management;

9) To review the External Auditors' findings arising from audits, particularly any comments and responses in audit recommendations, as well as assistance given by employees of the Group to the External Auditors to ensure that appropriate action is being taken;

10) To carry out annual assessment on the performance, suitability and independence of the External Auditors based on, among others, the following considerations:

    a) the competence, audit quality and resource capacity of the External Auditors in relation to the audit;

    b) the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and

    c) obtaining written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

11) To review the following in respect of the internal audit function:

    a) the effectiveness and adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its works;

    b) the internal audit programme, process, results of the internal audit programme and process and where necessary ensure that appropriate actions are taken on the recommendations of the internal audit function;

    c) any appraisal or assessment of the performance of members of the internal audit function, including having an external review periodically to assess the competency of the function; and

    d) the major findings of internal investigations and the management's response.

12) To review and approve any appointment or termination of the Internal Auditors;

13) To take cognisance of the resignation of Internal Auditors and provide the resigning Internal Auditor an opportunity to submit reasons for resigning;

14) To discuss the problems and reservations arising from any interim and final audit, and any matter the External Auditors and/or Internal Auditors may wish to discuss (in the absence of management where necessary);

15) To ensure that the internal audit function reports directly to the ARMC;

16) To review the ARMC report to be published in the annual report;

17) To review and monitor any related party transactions, conflict of interest and potential conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

18) To ensure that the Group has adequate procedures and processes in place to evaluate, approve, monitor, track and report related party transactions and to review the adequacy of these processes;

19) To prepare an audit committee report at the end of each financial year which must be set out in the annual report of the Company including a summary of any conflict of interest or potential conflict of interest situation reviewed by the ARMC pursuant to Rule 15.12(1)(h) of the AMLR (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts;

20) To review and verify at the end of each financial year, the options allocated and granted under the Employees Share Option Scheme, if any, are in compliance with the approved allocation criteria;

21) To review the Statement on Risk Management and Internal Control, Statement on Corporate Governance and Sustainability Statement prior to inclusion in the Company's Annual Report;

22) To undertake such other functions as may be authorised by the Board; and

23) Roles pertaining to risk management and internal control:

    a) to assess the effectiveness of the internal control system and risk management framework, ensuring that the methodologies employed facilitate the regular and timely identification, analysis, assessment, monitoring, and communication of risks, thereby enabling the Group to mitigate potential losses and optimise opportunities;

    b) to assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

    c) to obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group;

d) to report to the Board of any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

6.0 REVIEW OF TERM OF REFERENCE

The ARMC shall recommend any changes to its TOR in such manner as it deems appropriate to the Board for approval. The TOR shall be assessed, reviewed and updated at least annually by the Board or as where necessary i.e. when there are changes to the MCCG, AMLR or any other regulatory requirements.

It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role.

7.0 APPROVAL

This TOR was approved and adopted by the Board on 22 August 2025.