



KLCC PROPERTY HOLDINGS BERHAD
Reg. No.: 200401003073 (641576-U)

TERMS OF REFERENCE OF BOARD AUDIT
COMMITTEE

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Revision History

No.	Date	Nature of Amendment/ Change
1	27 August 2025	Revision of the approved 2021 Terms of Reference of BAC

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1.0 PURPOSE

The Board Audit Committee ("BAC" or the "Committee") is responsible to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, internal and external audit functions, internal control system and review of audit results.

2.0 COMPOSITION

2.1 The Committee shall be appointed by the Board of Directors amongst the Directors of KLCC Property Holdings Berhad ("KLCCP" or the Company) who fulfill the following requirements:-

- (a) the Committee must be composed of no fewer than 3 members; with a majority of the Committee members must be Independent Directors;
- (b) the Committee must be made up entirely of Non-Executive Directors who should be financially literate; and
- (c) at least one member of the Committee:
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (bb) he 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
 - (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

2.2 The members of the Committee shall elect a Chairman from amongst themselves who shall be an Independent Director. The Chairman of the Committee must not be the Chairman of the Board.

2.3 No Alternate Director shall be appointed as a member of the Committee.

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- 2.4 In the event of any vacancy in the Committee resulting in the non-compliance of the Bursa Securities Main Market Listing Requirements pertaining to the composition of the audit committee, the Board of Directors shall within 3 months of that event fill the aforesaid vacancy.
- 2.5 The terms of office and performance of the Committee and each of its members must be reviewed by the Nomination and Remuneration Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their Terms of Reference.
- 2.6 A former partner of the Company's external auditors' firm (including all former partners of the audit firm and / or the affiliate firm such as those providing advisory services, tax consulting, etc.) and any other professionals with previous dealings with the Company are required to observe a cooling-off period of at least 3 years before he or she could be appointed as a member of the Committee.

3.0 MEETINGS

3.1 Frequency

- (a) Meetings shall be held not less than 4 times a year.
- (b) The external auditors may request a meeting if they consider it necessary. Upon the request of the external auditors, the Chairman of the Committee shall convene a meeting to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.
- (c) The Committee shall, when necessary, meet with the external auditors in separate sessions to discuss any matters without the presence of any Executive Directors and Management.

3.2 Quorum

To form a quorum for all meetings of the Committee, the majority of the Committee members present must be Independent Directors.

3.3 Secretary

The Company Secretary or, in his absence, another person authorised by the Chairman of the Committee, shall be the Secretary of the Committee. He shall draw up the agenda of the meetings in consultation with the Chairman of the Audit

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Committee, prepare the minutes of the meetings and circulate the agenda papers well in advance of the meetings and the draft minutes after the meetings.

3.4 Attendance & Meeting Mode

- (a) The Chief Executive Officer, Chief Financial Officer, and Head of Internal Audit of KLCC (Holdings) Sdn Bhd ("Head of IA") shall normally attend meetings of the Committee.
- (b) Other Directors, representatives of Management, employees, and representatives of the external auditors may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.
- (c) Whilst the preference is for meetings to be conducted in a face-to-face manner or physical meetings, meetings may be held by telephone conferencing, video conferencing or by any digital means, and any member participating via the said means shall be counted as quorum for the meeting.
- (d) The Committee may pass a resolution in writing by way of Circular Resolution signed by all Committee members who are eligible to vote shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. All such resolutions shall be described as "Board Audit Committee's Written Resolutions" and may consist of several documents in the like form, each signed by one (1) or more Members and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minutes book following the receipt thereof. A Board Audit Committee's resolution in writing signed and transmitted by any electronic means shall be deemed to be original.

3.5 Reporting Procedure

The minutes of each meeting shall be circulated to all members of the Board.

3.6 Meeting Procedure

The Committee shall regulate its own procedure, in particular:

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and

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- (e) the custody, production and inspection of such minutes.

4.0 AUTHORITY / RIGHTS

The Committee in performing its duties shall, in accordance with a procedure to be determined by the Board of Directors:

- (a) have the 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 any information pertaining to the Company and the Group, and authority to seek any information it may require from the Company's and/or KLCCP Group's employees;
- (d) have direct communication channels with the external auditors, person(s) carrying out the internal audit functions or activities and senior management;
- (e) be able to obtain independent advice, whether professional or otherwise, pertaining to any matter within its terms of reference which the Committee considers necessary at the expense of the Company; and
- (f) be able to convene meetings with the external auditors, the internal auditors or both while excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

5.0 ROLES AND FUNCTIONS

The Committee shall, amongst others, perform the following functions:

5.1 Financial Reporting Review

- (a) To review and recommend the quarterly results and annual financial statements, for approval by the Board of Directors, focusing particularly on:
 - (i) the going concern assumption;
 - (ii) new updates or changes in or its implementation thereof in accounting policies/ principles;
 - (iii) new updates or changes to regulatory requirements on the financial statements;

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- (iv) significant and unusual events; and
- (v) compliance with accounting standards and other legal requirements.

5.2 External Audit

- (a) To review and discuss with the external auditors on the nature and scope of the audit and ensure coordination where more than one audit firm is involved;
- (b) To review the audit report to ensure that appropriate and prompt remedial action on major deficiencies and procedures that are identified is taken by the Management;
- (c) To review audit approach, including coordination of audit efforts with internal auditors, and assistance given by the employees as well as the appointed service providers to the external auditors;
- (d) To review the nature, extent and scope of non-audit services, i.e. recurring and non-recurring to ensure that they are not likely to create conflicts of interest, so as to maintain objectivity and independence of external auditors;
- (e) In respect of the appointment of external auditors:
 - (i) to review the suitability, objectivity and independence of the external auditors.
 - (ii) to recommend to the Board on the appointment, re- appointment or removal of external auditors, and their audit fees; and
 - (iii) to review any letter of resignation from the external auditors.

5.3 Internal Audit

- (a) To approve the Internal Audit Charter;
- (b) To authorise the appointment and removal of the Head of IA and set the required qualifications, experience, and competencies;
- (c) To review, approve and provide feedback to Senior Management on the performance of the Head of IA;

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- (d) To approve and review IA's performance objectives annually;
- (e) To approve the risk-based internal audit plan, budget and resources for IA functions, including any significant changes and ensure coordination between the internal and external auditors;
- (f) To consider the findings of the internal audit, management's response and whether appropriate actions are taken on the recommendations of the internal audit function based on the frequency, process and criteria of findings, and considerations of error and/or omissions, if any;
- (g) To approve the External Quality Assurance Review ("EQAR") implementation and action plans;
- (h) To meet periodically with Head of IA, including private meetings without senior management's presence;
- (i) To review the adequacy of the scope, functions, competency and resources of the internal auditors and whether it has the necessary authority to carry out its work; and
- (j) To review the internal audit quality assurance and improvement program activity.

5.4 Internal Control

- (a) To keep under review the effectiveness of internal control systems, and the internal and/or external auditors' evaluation of these systems and in particular, review the external auditor's Management Letter and Management's Response.

5.5 Corporate Governance and Regulatory Compliance

- (a) To review any related party transaction and conflict of interest ("COI") situation or potential COI that may arise within the Company or KLCCP Stapled Group including any transaction, procedure or course of conduct that raises questions of the integrity of the management and the measures taken to resolve, eliminate, or mitigate such conflicts. The review of conflict of interest shall include that of directors of the Company and the management team of KLCCP Stapled Group.

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- (b) To review the procedures in place to ensure that KLCCP Group is in compliance with the Companies Act 2016, Bursa Securities Main Market Listing Requirements and other legislative and reporting requirements.

5.6 Other Matters

- (a) To direct and where appropriate supervise any special project or investigations considered necessary.
- (b) If the Committee is of the view that any matter which it had reported to the Board of Directors has not satisfactorily resolved resulting in a breach of the Bursa Securities Main Market Listing Requirements, the Committee must promptly report such matters to Bursa Securities.
- (c) To carry out such other functions as may be agreed by the Committee and the Board of Directors.

6.0 REVISION OF THE TERMS OF REFERENCE

- 6.1 The review of the Terms of Reference shall be conducted annually. The BAC may from time-to-time revise or amend its Terms of Reference, provided always that the said revisions or amendments are in compliance with applicable laws, directives and guidelines and that thereafter shall be recommended to the Board for approval.
- 6.2 A revised Terms of Reference shall be effective upon approval by the Board.

This Terms of Reference of Board Audit Committee was approved by the Board on 27 August 2025.