

SUNWAY

HEALTHCARE

SUNWAY HEALTHCARE HOLDINGS BERHAD

Registration No. 202101000296 (1400594-U)

TERMS OF REFERENCE OF AUDIT COMMITTEE

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TERMS OF REFERENCE OF AUDIT COMMITTEE

1. OBJECTIVES

The Audit Committee ("**Committee**") is a committee of the Board of Directors of Sunway Healthcare Holdings Berhad ("**Company**") ("**Board**") established to assist the Board in fulfilling its statutory and fiduciary responsibilities for oversight of the quality and integrity of the accounting, auditing and financial reporting as well as monitoring the effectiveness of the internal control systems.

2. COMPOSITION

1.1 The Committee shall be appointed by the Board from amongst its directors ("**Directors**") and shall consist of not fewer than three (3) members.

1.2 All members of the Committee must be non-executive directors, with a majority of them being independent directors.

1.3 The members of the Committee should be financially literate and shall include at least one (1) person:

- (a) who is a member of the Malaysian Institute of Accountants; OR
- (b) who has at least three (3) years' working experience and:
 - (i) has passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) is a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; OR
- (c) who has at least three (3) years post-qualification experience in accounting or finance and:
 - (i) has a degree/master's/doctorate in accounting or finance; or
 - (ii) is a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; OR
- (d) who has at least seven (7) years of experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; OR
- (e) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("**Bursa Securities**").

In the event of non-compliance with these requirements, indulgence or permission from Bursa Securities shall be sought.

1.4 No alternate Director shall be appointed as a member of the Committee. The Chairperson of the Board shall not be a member of the Committee.

1.5 No former partner of the external audit firm of the Company and/or affiliates firm (including those providing advisory services and tax consulting) shall be appointed as a member of the Committee before observing a cooling-off period of at least three (3) years from the date he/she ceases to be a partner of such external audit firm.

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- 1.6 The members of the Committee shall elect a chairperson of the Committee (“**Chairperson**”) from amongst their number, who shall be an independent director. The Chairperson shall not be the chairperson of the Board.
- 1.7 If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraphs 1.1, 1.2, 1.3 or 1.6 above, the Board shall fill the vacancy within three (3) months from the date of the vacancy.
- 1.8 The terms of office and performance of the Committee and each of its members shall be reviewed by the Nomination and Remuneration Committee of the Company annually to determine whether the Committee and its members have carried out their duties in accordance with these terms of reference. However, the appointment of a member of the Committee terminates when a member ceases to be a Director.

2. MEETINGS

- 2.1 The quorum for a Committee meeting shall be at least two (2) members and the majority of members present must be independent directors. The Chairperson shall chair the Committee meetings. In the absence of the Chairperson, the members of the Committee present shall choose one 1 of their members who shall be an independent non-executive director to chair the meeting.
- 2.2 The Committee shall meet at least four (4) times a year and such additional meetings as the Chairperson shall decide.
- 2.3 Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, or the internal or external auditors, the Chairperson shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4 The Committee may 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
 - (e) the custody, production and inspection of such minutes.
- 2.5 A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.
- 2.6 The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.
- 2.7 The non-member Directors and employees of the Company and its subsidiaries (“**Group**”) may attend the meetings at the Committee’s invitation, to assist in its deliberations and resolutions of matters raised. However, at least twice a year, the Committee should meet with the external auditors, the internal auditors or both, without the presence of the executive board members, management or employees, whenever deemed necessary.

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- 2.8 The Internal Auditors shall attend all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow up on all relevant decisions made.
- 2.9 A meeting of the Committee shall normally be conducted face-to-face to enable effective discussion. However, meetings may also be conducted via telephone conference, video conference or other appropriate means as determined by the Committee.
- 2.10 The Chairperson shall attend the Company's general meetings and provide responses to questions addressed to the Committee.

3. REPORTING

- 3.1 In addition to the availability of detailed minutes of the Committee meetings to the Board, the Chairperson will report a summary of significant matters and resolutions at each Board meeting.
- 3.2 The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's consideration and implementation. The Committee has no executive power to implement the recommendations on behalf of the Board.

4. SECRETARY

- 4.1 The Company Secretary of the Company shall act as secretary of the Committee.
- 4.2 The secretary of the Committee shall be responsible, with the concurrence of the Chairperson, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members before each meeting.
- 4.3 The secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

5. RIGHTS AND AUTHORITY

The Committee is authorised to:

- 5.1 Investigate any matter within its terms of reference.
- 5.2 Have adequate resources required to perform its duties.
- 5.3 Have full, unrestricted and unlimited access to information pertaining to the Company or the Group.
- 5.4 Have direct communication channels with the External and Internal Auditors, and also to engage the Management of the Company on a continuous basis, including the president, managing director and the chief financial officer in order to be kept informed of matters affecting the Group.
- 5.5 Engage, consult and obtain outside legal or other independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary.

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- 5.6 Convene meetings with the External Auditors, Internal Auditors or both, without the attendance of other Directors and employees of the Company, whenever deemed necessary.
- 5.7 Approve any appointment or termination of senior staff members of the internal audit function.

6. FUNCTIONS AND DUTIES

- 6.1 To review and recommend for the Board's approval, the Internal Audit Charter, which defines the independent purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.
- 6.2 To formulate corporate governance and integrity policies, regulations and procedures and to monitor their compliance as well as to recommend and report to the Board, where necessary.
- 6.3 To review the following and report the same to the Board:
 - (a) In relation to the External Auditors:
 - (i) together with the External Auditors, the audit plan and audit report and the extent of assistance rendered by employees of the Company;
 - (ii) together with the External Auditors, their evaluation of the system of internal controls;
 - (iii) the audit fee, upon assessment of the performance including suitability, objectivity, independence and capabilities, and on matters concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as External Auditors;
 - (iv) the management letter and management's response;
 - (v) any significant audit issues, audit findings, reservations, difficulties encountered or material weaknesses;
 - (vi) assessment of their suitability, objectivity and independence annually to safeguard the quality and reliability of the audited financial statements;
 - (vii) provision of non-audit services by the External Auditors to ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgment of the External Auditors and the total non-audit fees payable for each financial year does not exceed 50% of the total fee payable to the External Auditors, before recommending the same for the Board's approval;
 - (viii) the statement on risk management and internal controls to ensure that relevant information as prescribed in the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") are disclosed;
 - (ix) any letter of resignation from the external auditors of the Company;

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- (x) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment.
 - (xi) the adequacy of the experience, competence, audit quality and resource capacity of the external auditor in relation to the audit; and
 - (xii) ensure 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.
- (b) In relation to the internal audit function:
- (i) the adequacy and relevance of the scope, functions, competency and resources of the internal audit function as well as its budget and the necessary authority to carry out its work;
 - (ii) whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
 - (iii) the audit plan of work programme, processes, the results of internal audit assessments and investigation undertaken including recommendations and actions taken;
 - (iv) the accuracy and reliability of the data and information disclosed in the sustainability statement in the integrated annual report;
 - (v) the extent of cooperation and assistance rendered by employees of the Company;
 - (vi) the appraisal of the performance of the internal audit function, including that of the senior staff and any matter concerning their appointment and termination;
 - (vii) to appropriately communicate the Committee's insights, views and concerns about relevant transactions and events as well as concerns on matters that may affect the financials or audit of the Company to the internal auditors;
 - (viii) ensuring the internal audit function is independent of the activities it audits and the [Head of Internal Audit] reports directly to the Audit Committee and administratively to the President. The Audit Committee shall review his performance on an annual basis. The [Head of Internal Audit] should have relevant qualifications and be responsible for providing assurance to the Audit Committee that the internal controls are operating effectively. The [Head of Internal Audit] will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company;
 - (ix) Take cognisance of resignations of the senior internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit) and provide the resigning staff member or the internal audit service provider an opportunity to submit his/her reasons for resigning;

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- (x) ensuring the internal audit function is independent from the external audit functions and that it has necessary authority to carry out its function;
 - (xi) ensuring that internal auditors adopt a recognised framework in conducting their work; and
 - (xii) monitoring the status of implementation of the action plans arising from the issue reported by the internal auditors to ensure they are satisfactorily completed
- (c) The quarterly results and year-end financial statements prior to the approval by the Board, focusing particularly on:
- (i) any changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgments made by the management of the Company, significant and unusual events or transactions, and how these matters are addressed;
 - (iii) going concern assumption;
 - (iv) compliance with accounting standards, regulatory and other legal requirements.
 - (iv) significant adjustments resulting from audit; and
 - (v) integrity of financial statements;
- (d) The major findings of investigations and management response.
- (e) In relation to the related party transaction and conflict of interest:
- (i) The propriety of any related party transactions and conflict of interest situation that arose, persists or may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity as well as the measures taken to resolve, eliminate, or mitigate such conflicts. The transactions carried out shall be in the best interest of the Group, on arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not detrimental to the minority shareholders, including ensuring related parties who are in a position of conflict with the interest of the Group to abstain from deliberation and/or voting on the transactions;
 - (ii) review the adequacy of the procedures and processes in place in monitoring the related party transactions and conflict of interest situations to ensure compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other legislative and reporting requirements;
 - (iii) review and report to the Board any related party transactions that may be entered into by the Company and the Group;

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- (iv) evaluate, supervise and monitor any conflict of interest or potential conflict of interest situation that may arise, within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts.
 - (v) review the process used to procure shareholders' mandate for recurrent related party transactions.
 - (vi) ensure that the Board establishes a comprehensive framework/policy to identify, evaluate, approve and report related party transactions.
 - (vii) review with the internal auditors their quarterly report from work performed to establish whether recurring related party transactions have been carried out in accordance with the mandate approved by shareholders and on commercial terms no more favourable than those available to non-related third parties.
 - (viii) to assess all the disclosed conflicts by the Directors and management, to evaluate their nature, significance and potential impact on the Group. During the process of evaluating and handling the conflict of interest, the Committee has the authority to seek independent advice or opinions to aid in their evaluation.
- 6.4 To report any breach of the Listing Requirements, which has not been satisfactorily resolved, to Bursa Securities in a prompt manner.
- 6.5 To exercise its powers and carry out its responsibilities as may be required from time to time under the Whistleblower Policy of the Group.
- 6.6 To prepare the Committee report for inclusion in the Company's integrated annual report covering:
- (a) the composition of the Committee including the name, designation (indicating the chairperson) and directorship of the members (indicating whether the directors are independent or otherwise);
 - (b) the number of meetings held during the financial year and details of attendance of each member;
 - (c) a summary of the work of the Committee in the discharge of its functions and duties for that financial year and how it has met its responsibilities;
 - (d) a summary of the work of the internal audit function; and
 - (e) a summary of any conflict of interest or potential conflict of interest situation reviewed by the Committee pursuant to paragraph 6.3(e) above (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts.
- 6.7 To review the following for publication in or together with the Company's integrated annual report as well as to review the integrated annual report and recommend for the Board's approval:
- (a) the corporate governance disclosure in the following reports:

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- (i) corporate governance overview statement which provides an overview of the application of the practices set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (“MCCG”); and
 - (ii) corporate governance report which discloses the Company’s application or departure of the practices set out in the MCCG during the financial year in the prescribed format as provided by Bursa Securities, if any.
 - (b) the statement on the Board’s responsibility for the preparation of the annual audited financial statements.
 - (c) the statement by the Committee on the verification of allocation of share options to the Group’s eligible employees in compliance with the criteria set out in the by-laws of the Company’s employees’ share option scheme, at the end of each financial year (if applicable).
 - (d) the statement on risk management and internal controls to ensure that the relevant information as prescribed in the Listing Requirements are disclosed.
 - (e) other disclosures forming the contents of the Company’s integrated annual report specified in Part A of Appendix 9C of the Listing Requirements.
- 6.8 Where external auditors are removed from office or give notice to the Company of their desire to resign as external auditors, to forward a copy of any written representations or statement of circumstances connected with the resignation made by the external auditors to Bursa Securities at the same time as copies of such representations or statement of circumstances are submitted to the registrar pursuant to Section 284 of the Companies Act 2016.
- 6.9 To review compliance with relevant cybersecurity laws, regulations, and policies; monitor the adequacy of the cybersecurity risk management framework; and ensure that appropriate procedures are in place for reporting any significant issues.
- 6.10 To assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.
- 6.11 To oversee the anti-bribery management of the Company.
- 6.12 To verify allocation of employee share plan or Employees Share Option Scheme in compliance with criteria as stipulated in the by-laws of the Company, if any.

The above functions and duties are in addition to such other functions as may be agreed to from time to time by the Committee and the Board.

7. INTERNAL AUDIT DEPARTMENT

- 7.1 The Head of the Internal Audit Department shall have unrestricted access to the members of the Committee and shall report to the Committee, whose scope of responsibility includes overseeing the development and the establishment of the internal audit function, which is independent of the activities it audits.
- 7.2 In respect of routine administrative matters, the Head of Internal Audit Department shall report to the Committee, the President of the Company or his designate.

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8. RESOLUTION IN WRITING

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices 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 forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes' book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

9. REVIEW

The Committee shall recommend any changes to the terms of reference in such manner as the Committee deems appropriate to the Board for approval. The terms of reference shall be subject to periodic review to ensure that it remain relevant and updated in line with best practices, the MCCG, the Listing Requirements or any other regulatory requirements. The terms of reference should also be reviewed and updated by the Board when there are changes to the direction or strategies of the Group that may affect the Committee's role. The Board must approve any amendments herein.

The Board adopted these terms of reference on 13 August 2025.