



**AUDIT COMMITTEE
TERMS OF REFERENCE**

1. OBJECTIVES

- 1.1 The principal objectives of the Audit Committee (“Committee”) are to monitor and review the adequacy, integrity and compliance of the Group’s financial reporting and policies, internal controls system and procedures including risk management, and compliance and the external audit process. The Committee shall make the necessary recommendations to the Board to achieve its objectives.

2. DUTIES AND RESPONSIBILITIES

- 2.1 The Committee’s duties and responsibilities are to:

Financial Reporting:

- 2.1.1 Review the Group’s annual and interim financial statements, regulatory announcements relating to the Group’s results and other relevant financial reports;
- 2.1.2 Review the Group’s significant accounting policies and practices and the changes and implementation of these policies and practices;
- 2.1.3 Review compliance with international financial reporting standards, regulatory and other legal requirements;
- 2.1.4 Evaluate significant financial reporting issues and transactions and whether they have been appropriately addressed;
- 2.1.5 Ensure that the appropriate accounting treatment is applied for areas requiring judgment and the appropriate estimates and assumptions are made; and
- 2.1.6 Review the related party transactions and situations where conflict of interests arises and advise the Board on such matters.

External Audit

- 2.1.7 Review and advise the Board on the appointment, nomination and re-appointment of the external auditors;
- 2.1.8 Discuss and review the audit plan with the external auditor and Group employees;
- 2.1.9 Review the audit fees to ensure that the fees are adequate for the auditors to conduct the audit;

- 2.1.10 In respect of non-audit services, monitor the appointment of non-audit service providers, fees and the independence of non-audit service providers;
- 2.1.11 Review the terms of engagement and scope of audit;
- 2.1.12 Address the matters concerning resignation or dismissal of auditor;
- 2.1.13 Address the control issues stated in the management letter and ensure that the appropriate follow-up corrective actions have been taken to rectify issues;
- 2.1.14 Assess the ongoing independence and objectivity of the auditor;
- 2.1.15 Ensure co-ordination between the external audit with the internal audit function; and

Internal Audit

- 2.1.16 Evaluate and monitor the adequacy and effectiveness of the internal controls system and procedures including risk management and compliance;
- 2.1.17 Monitor and review the performance and effectiveness of the internal audit function;
- 2.1.18 Assess compliance with legal and regulatory requirements;
- 2.1.19 Ensure that the internal audit function has adequate authority, resources and information available to conduct its audit effectively;
- 2.1.20 Oversee the appointment and resignation of employees of the internal audit function;
- 2.1.21 Assess and review the annual internal audit plan and work programmes;
- 2.1.22 Review all internal audit reports submitted to the Committee; and
- 2.1.23 Ensure that the follow-up actions have been taken to address the deficiencies and issues highlighted in the reports.

Reporting:

- 2.1.24 Update and report to the Board on the Committee's activities and all other matters within its functions; and
- 2.1.25 Make the necessary recommendations to the Board it considers necessary for action or improvement.

Review

- 2.1.26 Review and update the Terms of Reference at least once a year to ensure its effectiveness; and

2.1.27 Recommend any changes to the Terms of Reference to the Board for approval.

Other Matters:

2.1.28 Undertake any related assignments as requested by the Board.

3. COMPOSITION

- 3.1 The Committee shall comprise of at least two (2) members, all of whom shall be independent non-executive directors. At least one member should have the relevant professional financial qualification and experience.
- 3.2 The Committee members including the Chairman of Committee shall be determined and appointed by the Board. Each Committee member including the Chairman of Committee appointed, in the opinion of the Board, shall be independent and free from any business or relationship that would materially interfere with the exercise of independent judgment as a member.
- 3.3 Appointment of members of the Committee shall be effective for a period of 3 years, which may be extended provided the members remain independent and subject to Board approval.
- 3.4 In the event that the number of members in the Committee falls below two (2), the Board shall fill the vacancy within six (6) months or earlier to enable the Committee to fulfill its responsibilities.

4. MEETINGS

- 4.1 The Committee shall meet at least three (3) times a year or if the circumstances require, additional meetings may be called at any time at the Chairman of Committee or any members' discretion. The meeting may be conducted via conference call or other electronic communication means.
- 4.2 The quorum of each meeting shall be two (2) members. A duly convened meeting of the Committee at which the quorum is present shall be competent to exercise all or any of its authorities, powers and discretions vested in or exercisable by the Committee.
- 4.2 The Committee shall appoint one of its members to be the Chairman of the meeting should the Chairman of the Committee be absent from the meeting.

- 4.3 During the meeting, the Secretary to the Committee (“Secretary”) shall be the Company Secretary or any relevant management representative appointed by the Committee. The Secretary shall minute the proceedings and resolution of the meetings and the names of those in attendance and absent. All papers and minutes are circulated to the members, Board and other attendees after each meeting.
- 4.4 The Committee may invite any members of the Board, Senior Executives or any other appropriate external parties as the Committee thinks fit may be invited to attend each meeting.

5. AUTHORITY

- 5.1 The Committee shall be authorised to investigate any matters within its Terms of Reference and seek accounting, legal or other professional advice, if it deems appropriate, to advise the Committee on the relevant matters. The Committee may communicate directly with the adviser for this purpose.
- 5.2 The Committee may seek assistance of any employee of the Group to provide information in its work and investigation.
- 5.3 The Committee shall have full and unrestricted access to secure any relevant documents, records and information.