

Terms of Reference of the Audit Committee

A. Composition of Audit Committee

The Audit Committee will be composed of no fewer than three (3) members all of whom are Non-Executive Directors and majority of whom shall be Independent Directors. All members of the Audit Committee should be financially literate.

At least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants or if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and;

- i. he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- ii. he/she must be a member of one of the associations of accountants as specified in Part II of the 1st Schedule of the Accountants Act 1967; or

fulfills such other requirements as prescribed or approved by Bursa Malaysia.

Subject to endorsement by the Board, the Audit Committee shall elect a Chairman amongst themselves who is an Independent Director.

B. External Audit

The following are the tasks and functions of the Audit Committee concerning external audit:

1. Consider the appointment of external auditors, the audit fees and any question of resignation or dismissal;
2. Review the adequacy of external audit arrangements, with particular emphasis on the scope and quality of the audit;
3. Review the assistance given by The Group and/or the Group's officers to the external auditors;

4. Review the quarterly and annual financial statements of The Group and its subsidiaries as well as the consolidated financial statements of the Group with management (and the external auditors in respect of the annual financial statements), including the following:
 - Any change in accounting policies and practices
 - Significant adjustments arising from the audit
 - The going concern assumption
 - Compliance with accounting standards and other legal requirements;
5. Review the external auditors' audit report;
6. Review any management letter sent by The Group's or any of its subsidiaries' external auditors and management's response to such letter;
7. Review any letter of resignation from the external auditors of The Group or any of its subsidiaries; and
8. Discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss in the absence of management where necessary.

C. Internal Audit

The following are the roles and responsibilities of the Audit Committee concerning internal audit:

1. Review the adequacy of the scope, functions and resources, competency of the internal audit function and that it has the authority to carry out the work;
2. Review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate actions are taken on the recommendations of the internal audit function;
3. Review any appraisal or assessment of the performance of members of the internal audit function;

4. Approve any appointment or termination of senior staff members of the internal audit function; and
5. Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

D. Related Party Transactions

The Audit Committee shall review all related party transactions and potential conflict of interests' situations that may arise within The Group.

E. Risk Management and Internal Control

The following are the responsibilities of the Audit Committee concerning risk management and internal control:

1. Review all areas of significant business and financial risk and the arrangements in place to contain those risks to acceptable levels;
2. Review the effectiveness of the system of internal control and management information system within The Group;
3. Consider the major findings of internal investigations and management's response; and
4. Consider other topics as defined by the Board.

F. Rights and Powers of the Audit Committee

The Audit Committee shall:

1. Have explicit authority to investigate any matters within its terms of reference;
2. Have the resources which it needs to perform its duties;
3. Have full access to any information which it requires in the course of performing its duties;

4. Have unrestricted access to the Managing Director and the Chief Financial Officer;
5. Have direct communication channels with the external auditors and internal auditors;
6. Be able to obtain independent professional or other advice in the performance of its duties at the cost of The Group;
7. Be able to invite outsiders with relevant experience to attend its meetings, if necessary; and
8. Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of The Group and/or the Group, whenever deemed necessary.

G. Cooperation from Management

The Group and every subsidiary's management shall provide the fullest co-operation in providing information and resources to the Audit Committee, and in implementing or carrying out all requests made by the Audit Committee.

H. Meetings

The Committee shall meet at least four (4) times in each financial year. The quorum shall be two (2) members, the majority of members present must be Independent Directors.

The Senior Finance Manager, the Head of Internal Audit and the external auditors (or their representative) are to be invited to attend the committee meetings. Other Board members may also be present upon invitation. However, the Committee shall meet with the external auditors without the presence of any Executive Directors, at least twice a year.

The Group Secretary shall be the Secretary for the Committee and will be responsible for co-ordination of administrative details including calling the meeting, voting and keeping of minutes.

The Chairman shall convene a meeting of the Audit Committee if a request is made by any committee member, the Managing Director, the internal auditors or external auditors.

The external auditors have the right to appear and to be heard at any meeting of the Audit Committee from time to time and shall appear if so required by the Committee.

Motions put forward to the Audit Committee shall be decided on a majority of votes. Each member shall be entitled to only one vote. The Chairman shall be entitled to a casting vote in the event of an equality in the voting except for a meeting attended by only two members in which the decision must be unanimous in order for the motion to be put through.

I. Review of the Audit Committee

The Board must review the terms of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee and the members have carried out their duties with the terms of reference.