

Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of our Group. Our Audit and Risk Management Committee has full access to both internal and external auditors who in turn have access at all times to the chairperson of our Audit and Risk Management Committee.

The duties and functions of our Audit and Risk Management Committee stated in the terms of reference, comprise, amongst others, the following:

- (i) review the Group's quarterly results and year-end financial statements before submission to the Board, focusing particularly on:
 - (a) changes in or implementation of major accounting policy changes;
 - (b) significant and unusual events or transactions, and how these matters are addressed;
 - (c) significant adjustments arising from the management;
 - (d) compliance with accounting standards and other legal requirements; and
 - (e) the going concern assumption.

- (ii) External audit:
 - (a) To consider the nomination and appointment of external auditors; and to consider the adequacy of experience and resources of the external auditors and determine the audit fee;
 - (b) To review any letter of resignation from the external auditors and any questions of resignation or dismissal;
 - (c) To discuss with the external auditors, prior to the commencement of the audit, the audit plan which states the nature and scope of the audit;
 - (d) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;
 - (e) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
 - (f) To review whether there is a reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment; and
 - (g) Discuss the contracts for the provision of non-audit services which can be entered into and procedures that must be followed by the external auditors. The contracts that cannot be entered into should include management consulting, policy and standard operating procedures documentation, strategic decision and internal audit.

- (iii) Review with the external auditors on the following and report the same to the Board:

- (a) Audit plan;
 - (b) Audit report;
 - (c) Evaluations of the system of internal controls;
 - (d) The assistance given by the employees to the external auditor;
 - (e) External auditors' management letter and management's response thereto; and
 - (f) Any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditor.
- (iv) Internal audit:
- To review the following in respect of internal audit:
- (a) adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
 - (b) the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - (c) the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
 - (d) review and approve any appointment, termination or resignation of the firm of internal auditors.
- (v) Review with the internal auditors on the following and report the same to the Board:
- (a) The annual audit plan which is risk-based and focused on significant risk areas to ensure adequate scope and comprehensive coverage over the activities of the Group and that it has the necessary authority to carry out its work;
 - (b) Effectiveness of the internal audit processes as well as the adequacy of the resource requirements, competency and the budget of the internal audit function;
 - (c) The internal audit report containing the internal audit findings, commentaries and recommendations and follow-up on remedial actions;
 - (d) Effectiveness of the internal control systems and risk management systems and have them considered if necessary; and
 - (e) External auditors' report of deficiencies in internal control and management's response thereto.

- (vi) Review the following and report the same to the Board:
 - (a) The Annual Statement of Internal Control to be published in the Annual Report;
 - (b) Any related party transactions and conflict of interest situations that may arise including any transactions, procedures or course of conduct that raises questions of management integrity;
 - (c) Any letter of resignation from the external auditors or suggestions for their dismissal; and
 - (d) Whether there is a reason (supported by grounds) to believe that the external auditor is not suitable for reappointment.
- (vii) Assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (viii) To oversight of sustainability management of the Company;
- (ix) To oversight of anti-bribery management of the Company;
- (x) To appoint a Compliance Officer or the Committee Chairman to serve as a reporting channel role for whistle-blower who is concerned about speaking or by email of his/her concern;
- (xi) Carry out any other function that may be mutually agreed upon by the Committee and the Board;
- (xii) To conduct an annual assessment on the suitability, objectivity and independence of the external audit firm; and
- (xiii) Risk Management:
 - (a) To review the adequacy of the Group's risk management framework and assess the resources and knowledge of the management and employee involved in the risk management process;
 - (b) To review the effectiveness of internal control systems deployed by the management to address those risks;
 - (c) To review and recommend corrective measures undertaken to remedy failings and/or weaknesses;
 - (d) To review and further monitor principal risks that may affect the Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks;
 - (e) To communicate and monitor the risk assessment results to the Board; and
 - (f) Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Group.