

IDEAL JACOBS (MALAYSIA) CORPORATION BHD.

(Company No. 857363 U)
Incorporated in Malaysia

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprised of the following Directors:

Lai Kian Huat (Chairman)

(Independent Non-Executive Director)

Hing Kim Tat

(Independent Non-Executive Director)

Koong Lin Loong

(Independent Non-Executive Director)

Tan Kean Huat

(Independent Non-Executive Director)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

a) Objective

The objective of the Audit Committee is to assist the Board in fulfilling its responsibilities for the accounting and internal control systems, the financial reporting procedures, the audit process and compliance with listing requirements.

b) Membership

- 1) The Audit Committee shall be appointed by the Board from amongst its members and shall comprise not less than three (3) members, all of whom are non-executive Directors with majority of them being independent directors.
- 2) The Chairman of the Audit Committee shall be an independent non-executive Director appointed by the Board.
- 3) No alternate Director shall be appointed as a member of the Audit Committee.
- 4) At least one member of the Audit Committee :-
 - i) shall be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he shall have at least three (3) years' working experience and :-

- a) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Acts 1967.
- 5) The term of office and performance of the Audit Committee and each of its members must be reviewed by the Board at least once every three (3) years.
 - 6) If a member of the Audit Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of that event, appoint such number of new members as may be required to make up a minimum number of three (3) members.

c) Meetings

Meetings shall be held as and when the Audit Committee deems necessary.

A minimum of two members present shall form a quorum, both of whom present shall be Independent Non-Executive Directors. In the event that the Chairman is unable to attend a meeting, a member of the Audit Committee shall be nominated as Chairman of the meeting. The nominated Chairman shall be an Independent Director.

The Committee may invite other directors and employees to the meeting to brief the Audit Committee on issues that are incorporated into agenda.

d) Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference and shall have adequate resources and unrestricted access to any information from both internal and external auditors and all employees of the Group in performing its duties. The Committee is also authorized by the Board to obtain external legal or other independent professional advice and to invite outsiders with relevant experience to attend, if necessary.

The Committee is also authorized to convene meetings with external auditors without executive board members present, whenever deemed necessary.

e) Duties and Responsibilities

The duties and responsibilities of the Audit Committee shall be:-

- 1) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;

- 2) To discuss with external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;
- 3) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:-
 - going concern assumption
 - compliance with the latest accounting standards, statutory and regulatory disclosure requirements
 - any changes in accounting policies and practices
 - significant adjustments arising from the audit
- 4) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management where necessary);
- 5) To review the external auditors' management letter and management response, audit plan and Auditors' Report;
- 6) To review and evaluates the Group's internal audit and control function;
- 7) To review any related party transaction and conflict of interest situation that may arise within the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- 8) To consider the major findings of internal investigations and management's response;
- 9) To carry out such other responsibilities, functions or assignments, as may be defined jointly by the Audit Committee and the Board of Directors from time to time.