

KAMDAR GROUP (M) BERHAD

(Company No: 577740 A)

(Incorporated in Malaysia)

AUDIT COMMITTEE

COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

1. Mr. Simon @ Flam Fernandez (Chairman)
(Independent Non-Executive Director)
2. Mr. Vicknaraj A/L Jayaraj (Member)
(Independent Non-Executive Director)
3. Ms. Pragna A/P K M Kamdar
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Constitution

The Audit Committee was formed pursuant to a resolution passed by the Board of Directors on 16th February 2005.

Membership

The Audit Committee shall be appointed by the Board of Directors from among their members and shall be composed of not fewer than 3 members of whom a majority shall be independent non-executive directors. A quorum shall be 2 members and the majority of members present must be independent directors.

The members of the Audit Committee shall elect a chairman from among their member who is not an executive director or employees of the Company or any related corporation. The chairman elected shall be subjected to endorsement by the Board.

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the results that the number is reduced below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Notice of Meeting and Attendance

The agenda for Audit Committee meetings shall be circulated before each meeting to members of the Committee. The Committee may require the external auditors and any official of the Company to attend any of its meetings as it determined. The external auditors shall have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee.

Authority

The Audit Committee is authorised by the Board to:-

- investigate any matters within its terms of reference;
- have adequate resources which it needs to perform its duties;
- have full access to any information which it requires in the course of performing its duties;
- have unrestricted access to the chief executive officer and the chief financial officer;
- have direct communication channels with the external and internal auditors (if any);
- have access to independent professional or other advice in the performance of its duties at the cost of the Company; and
- be able to invite outside professionals with relevant experience and expertise to attend its meetings, if necessary.

Duties And Responsibilities

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

- to consider the nomination of external auditors, the audit fees and any question of resignation or dismissal;
- to oversee all matters pertaining to audit including the review of the audit plan and report;
- to review the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
- to discuss problems and reservations arising from the interim and final results, and any matters the external auditors may wish to discuss (in the absence of management where necessary);
- to review the quarterly interim results, half-year, annual financial statements and audit report, focusing on :
 - any changes in accounting and operating policies and practices;
 - significant adjustment arising from the audit;
 - adequacy of disclosure of all information in the financial statements essential to a true and fair representation of the financial affairs of the Company and its subsidiary company; and
 - compliance with approved accounting standards and business practices.

- to review any management letter sent by the external auditors to the Company and the management's response to such letter;
- to discuss with the external auditors their evaluation of the quality and effectiveness of the internal control and management information systems;
- to review the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- to review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- to review the co-operation or assistance given by the Company's officers to both external and internal auditors;
- to review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
- to review all related party transactions and potential conflict of interests situations; and
- to consider other matters, act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to management of the Group, as defined.