

AUDIT COMMITTEE OF THE BOARD

Composition

The composition of the Audit Committee presently consists of the following:

Members of the Committee

David Kuok, Chairman	– Independent Non-Executive Director
Ooi Boon Leong, Member	– Non-Executive Director
Leong Wai Hoong, Member	– Independent Non-Executive Director

Secretary to the Committee

Siuagamy Ramasamy

Terms of Reference

1. Primary purpose

The Committee shall:

- 1.1 Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for Tanjong plc and all its subsidiaries (“Group”).
- 1.2 Improve the Group’s business efficiency, the quality of the accounting and audit function and strengthen the confidence of the public in the Group’s reported results.
- 1.3 Maintain, through regularly scheduled meetings, a direct line of communication between the Board and the External and Internal auditors.
- 1.4 Enhance the independence of both the external and internal audit functions through active participation in the audit process.
- 1.5 Strengthen the role of the Non-Executive Directors by giving them a greater depth of knowledge as to the operations of the Company and the Group through their participation in the Committee.
- 1.6 Create a climate of discipline and control which will reduce the opportunity for fraud.
- 1.7 Provide a framework within which the External Auditors can assert their independence in the event of a dispute with management.

2. Membership

- 2.1 The Committee shall be appointed by the Board from among their number and shall be composed of not fewer than three members, the majority of whom shall be independent.
- 2.2 The members of the Committee shall elect a Chairman from among their number who is an independent Non-Executive Director.
- 2.3 If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced 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 the minimum number of three (3) members.
- 2.4 The appointment of a Committee member terminates when the member ceases to be a Director.

Audit Committee Of The Board (cont'd)

Terms of Reference (cont'd)

3. Authority

- 3.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 3.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

4. Functions

The Committee shall review, appraise and report to the Board on:

- 4.1 The charter of the Internal Audit Function and their work.
- 4.2 The quality and effectiveness of the entire accounting and internal control system and the efficiency of the Group's operations.
- 4.3 The propriety of accounting policies adopted by the management and accepted by the External Auditors, where alternatives are also acceptable.
- 4.4 The audit plan of the External Auditors to ascertain that it will meet the needs of the Board, the shareholders and regulatory authorities.
- 4.5 The interim financial statements and annual statutory accounts and the adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group, considering the requirements of the UK Companies Act, 1985 Accounting Standards and the relevant Stock Exchanges.
- 4.6 Any significant difficulties encountered or material weaknesses reported by the External or Internal auditors.
- 4.7 The effects of any changes in accounting policies or of any developments emanating from the accounting profession or any statutory authority.
- 4.8 The monitoring of inter-company transactions and any transactions between the Group and any related parties outside the Group.
- 4.9 The assistance given by the Group's officers to the External and Internal auditors.
- 4.10 The firm of External Auditors retained by the Group, and the Committee's recommendation to retain or replace such firm during the ensuing year.
- 4.11 Any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

5. Meetings

- 5.1 A minimum of two meetings per year are to be planned, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda shall be sent to all members of the Committee and any other persons who may be required to attend. The quorum for each meeting shall be three members (two if the Committee consists of four or fewer members).

Audit Committee Of The Board (cont'd)

Terms of Reference (cont'd)

5. Meetings (cont'd)

- 5.2 In addition to the Committee members, the meeting will normally be attended by representatives of the External Auditors and by the Internal Audit Manager. Any Board member, the Chief Financial Officer and any other relevant staff may be invited to attend as determined by the Audit Committee Chairman.
- 5.3 At least once a year, the Committee shall meet with the External Auditors without any Executive Directors present.
- 5.4 The principal business of these meetings shall be:
- 5.4.1 Meeting with the Internal Audit Manager,
- to review and approve the proposed internal audit plan and programmes;
 - to monitor the implementation of the internal audit plan;
 - to review and approve changes to the internal audit plan;
 - to review and evaluate the effectiveness of the Group's internal audit procedures;
 - to consider the findings of the Internal Auditors, obtain necessary explanations from management where deemed necessary and make recommendations to the Board as appropriate;
 - to ensure that the Internal Audit Department is adequately resourced and has appropriate standing within the Group.
- 5.4.2 Before the release of the interim financial statements,
- a) to review the interim financial statements for adequate and appropriate disclosures;
 - b) to discuss the impact of any changes in accounting or financial reporting policies, significant adjustments, significant or unusual transactions and the going concern assumption.
- 5.4.3 Before the commencement of the annual statutory audit,
- a) to discuss in general terms the external audit plan to ascertain that adequate tests to verify the accounts and procedures of the Group will be performed and ensure coordination where more than one audit firm is involved;
 - b) to discuss any significant problems that may be foreseen;
 - c) to discuss the impact of any proposed changes in accounting policies on the financial statements;
 - d) to review the fees proposed for the audit work to be performed.
- 5.4.4 After the completion of the annual statutory audit,
- a) to review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and to monitor the implementation of any recommendations made;
 - b) to review the draft financial statements and the audit report, and any significant adjustments required as a result of the audit, significant or unusual transactions and make the necessary recommendation to the Board for the approval of the accounts;
 - c) to review the nature and impact of any changes in accounting policies adopted by the Group during the year.
 - d) to review the going concern assumption;

Audit Committee Of The Board (cont'd)

Terms of Reference (cont'd)

5. Meetings (cont'd)

- e) to review the External Auditors management letter and management response;
- f) to organise, review and report on any special reviews or investigations deemed necessary by the Board.

5.5 The Committee may establish any regulations from time to time to govern its administration.

6. Minutes

Minutes of each meeting shall be kept and distributed to all attendees (members) of the Audit Committee Meeting and the External Auditors. The Chairman of the Committee shall report on each meeting to the Board.

7. Secretary

The Secretary to the Committee shall be the Group Company Secretary.