



Yee Lee Corporation Bhd
(13585-A)
(Incorporated in Malaysia)

Audit Committee Charter

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Audit Committee Charter

PURPOSE

To assist the board of directors of Yee Lee Corporation Bhd in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, risk management, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

AUTHORITY

The audit committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to: -

- Nominate, compensate, and oversee the work of external auditors.
- Resolve any disagreements between management and the auditors regarding financial reporting.
- Retain independent advisers, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from employees, all of whom are directed to cooperate with the committee's requests, or external parties.
- Meet with company officers, external auditors, or outside adviser, as necessary.

COMPOSITION

The Audit Committee shall be appointed by the Board of Directors from amongst their members which fulfils the following requirements:-

- (a) the Audit Committee must be composed of no fewer than 3 members;
- (b) all the Audit Committee members must be non-executive directors, with a majority of them being independent directors; and

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- (c) at least one member of the Audit Committee:-
- (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No alternate director shall be appointed as a member of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from among their number who shall be an independent director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of item (a) above, the Company shall fill the vacancy within 3 months.

MEETINGS

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and the management. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

RESPONSIBILITIES

The committee will carry out the following responsibilities:

Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

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- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing *Standards*.
- Review related party transactions and conflict of interest situations that may arise in any transaction, procedure or event.

Internal Control and Risk Management

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review the adequacy and effectiveness of Enterprise Risk Management System on the identification and management of key organizational risks.
- Review the system or processes to detect, manage and prevent fraud.

Internal Audit

- Approve the annual internal audit plan and review the performance relative to its plan.
- Approve decisions regarding the appointment and removal of the chief audit executive. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Review with the chief audit executive the internal audit budget, resource plan, activities, and organizational structure of the internal audit function.
- Review the effectiveness of the internal audit function.
- Meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

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External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and recommend the appointment or re-appointment or replacement of the external auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management regarding compliance matters.

Reporting Responsibilities

- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the company issues that relate to committee responsibilities.

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Other Responsibilities

- Review the shares and/or share options allocation pursuant to the relevant share scheme of Yee Lee Corporation Bhd.
- Review the procedures on whistle-blowing and that proper investigation on each allegation is conducted and appropriate action is taken, where necessary.
- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter regularly, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

REVIEW

This Audit Committee Charter is revised and approved by the Board of Directors on 26th August 2015.

Charter History

28th February 2008 Charter approved

26th August 2015 Revised Charter approved