

SIN HENG CHAN (MALAYA) BERHAD

(Company No. 4690 V)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objective

- a) The Audit Committee is to serve as a focal point for communication between Directors, the external auditors, internal auditors and the Management on matters in connection with accounting, reporting, risk management activities, sustainability initiatives and controls.
- b) The Audit Committee is to assist the Board in fulfilling its fiduciary responsibilities for ensuring quality, integrity and reliability of the practices of the Group.
- c) The Audit Committee will reinforce the independence of the Group's external and internal auditors.

Membership

The Board shall appoint an Audit Committee from among its members that fulfills the following requirements-

- a) The Audit Committee shall comprise at least 3 directors.
- b) No alternate directors shall be appointed to the Audit Committee.
- c) All the Audit Committee members must be non-executive directors, with a majority of them being independent directors.
- d) At least one member of the Audit Committee:-
 - Must be a member of the Malaysian Institute of Accountants; or
 - If he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience; and
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountant's Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountant's Act, 1967; or
 - Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- e) Members of the Audit Committee shall elect a Chairman who shall be an Independent Non-Executive Director, from among themselves.
- f) The term of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors at least once every 3 years.
- g) In the event of any vacancy in the Audit Committee resulting in the number of members is reduced to below 3, the vacancy must be filled within 3 months.
- h) No former partner of the external auditors of the Company shall be appointed a member of the Committee unless he has observed a cooling-off period of at least 3 years. The former partner in this paragraph refers to all former partners of the audit firm and/or the affiliate firms (including those providing advisory services, tax consulting, etc.)

Functions

The key functions of the Audit Committee are-

1. To review the interim quarterly results and the annual audited financial statements and to make the appropriate recommendations to the Board of Directors.
2. To review the reports of the internal auditors and the external auditors.
3. To review the management action to rectify the shortcomings as reported by both the external and internal auditors.
4. To report on all significant breaches especially those in contravention of existing rules and regulations and laws to the Board of Directors and the regulatory authorities where appropriate.
5. To review related party transactions and recurrent related party transactions on a quarterly basis to ensure that such transactions are not at a disadvantage to the Group and where appropriate, have the prior approval of the disinterested shareholders at a general meeting.
6. To review the adequacy of the internal controls and assist in identifying risks pending the formalization of a risk management committee, to ensure that inadequacies of internal controls and risks are rectified or mitigated.
7. To have a close meeting with the external auditors at least once a year without the presence of the Management.
8. To review the Company's risks profiles, the risk management framework and policy and oversee the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile as well as safeguard the interest of stakeholders and shareholders and the Group's assets.
9. To review the Group's Sustainability matters, including the management and performance and the disclosures in the Sustainability Statement for inclusion in the Company's Annual Report.

Procedures

The Audit Committee shall regulate its procedures as follows:-

- a) The Audit Committee shall hold at least 4 meetings in each financial year;
- b) Any member of the Audit Committee may at any time summon a meeting of the Audit Committee, where the needs arises;

- c) Notice calling for a meeting of the Audit Committee shall be given to its members at least 3 days before the meeting or at shorter notice as the Audit Committee members shall determine or agree;
- d) The quorum necessary for the transaction of business at an Audit Committee meeting shall be two and the majority of members present must be independent directors;
- e) Questions arising at any Audit Committee meeting shall be decided by the majority vote of its members present. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote; and
- f) Minutes of each Audit Committee meeting shall be kept by the Company Secretary.

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, the internal auditors or both, without other board members and employees present, whenever deemed necessary.

Duties and Responsibilities

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

- a) To recommend the nomination of a person or persons as external auditors and review any letter of resignation from external auditors;
- b) To review with the external auditors, the audit plan and audit report;
- c) To review with the external auditor, his evaluation of the system of internal controls;
- d) To review the assistance given by the employees of the Company to the external auditor;
- e) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- f) To review the internal audit programme, processes, the results of the internal audit programmed, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- g) To review the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements.
- h) To review any related party transaction and conflict of interest situation that may arise within the listed company or group including any transaction, procedure or course of conduct that raises questions of management integrity;
- i) To review whether there is reason (supported by grounds) to believe that the listed company's external auditor is not suitable for re-appointment;

- j) To review ESOS allocation at least once in a year to ensure it is in compliance with the ESOS Bye-Law, if any; and
- k) To assist the Board in fulfilling its responsibility with respect to evaluating, reviewing and monitoring the Group's risk management framework and activities on on-going basis.

Rule 15.09(1)(c)

At least one member of the Audit Committee:-

- (i) must be a member of the Malaysian Institute of Accountants ("MIA"); or
- (ii) if he is not a member of the MIA, he must have at least 3 years' working experience and:-
 - (a) he must have passed the examinations specified in Part I 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 Act 1967; or
- (iii) fulfils such other requirement as prescribed by the Exchange*

* The following qualifications are also acceptable:-

- (a) a degree/masters/doctorate in accounting or finance and at least 3 years' post qualification experience in accounting or finance**;
- (b) at least 7 years' experience being a chief financial officer of a company or having the function of being primarily responsible for the management of the financial affairs of a company.

** Persons who are members of professional accountancy organizations which have been admitted as full members of the International Federation of Accountants and who have at least 3 years' post qualification experience in accounting or finance are deemed to fulfill the qualifications set out in (a) above.

SIN HENG CHAN (MALAYA) BERHAD (4690 V)

NOMINATION COMMITTEE

COMPOSITION AND TERMS OF REFERENCE

COMPOSITION

The Nomination Committee shall be appointed by the Directors from among themselves via a Directors' resolution and shall compose of exclusively of Non-Executive Directors of whom a majority shall be Independent Directors.

The members of the Nomination Committee shall elect a Chairman from among themselves who is an Independent Director of Sin Heng Chan (Malaya) Berhad ("SHC" or "the Company"). All members of the Nomination Committee, including the Chairman, will hold office only so long as they serve as Directors of SHC.

TERMS OF REFERENCE

Objective

The objective of the Nomination Committee is to ensure that the Directors of the Board bring characteristics to the Board, which provide a required mix of responsibilities, skills and experience. The Nomination Committee will also assist the Board in reviewing on an annual basis the appropriate balance and size of Non-Executive participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committee member.

When a vacancy exists or when it is considered that the Board would benefit from the services of a new Executive Director with particular skills, the Nomination Committee shall recommend to the Board one or more candidates with the appropriate expertise and experience. The Nomination Committee may also consider in making its recommendations, candidates for directorships proposed by the Managing Director and within the bounds of practicability, by any Director and by the shareholder or may use the services of a professional recruitment firm. The Nomination Committee will then make its recommendation on the candidates for submission to the Board for approval.

Authority

The Nomination Committee should not have the delegated power from the Board to implement its recommendations but should be obliged to report its recommendations back to the full Board for its consideration and implementation. This is in recognition of the importance of diversity within the Board and the need for Board membership to be endorsed by all or the majority.

In carrying out its duties and responsibilities, the Nomination Committee will in principle have access to SHC's records, properties and personnel. The Nomination Committee may use the services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice whenever necessary.

Duties and Responsibilities

The following are the main duties and responsibilities of the Nomination Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:-

- Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. A retiring Director shall be eligible for re-election. Every director, including the Managing Director, shall be subject to retirement at least once in every 3 years.
- Review annually its required mix of skills and experience and other qualities, including core competencies which non-executive Directors should bring to the Board and disclose the same in the Annual Report.
- Recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors.
- Ensure that the appointment of any Executive Director or Managing Director of SHC shall be for a fixed term not exceeding three years at any one time with power to re-appoint, remove or dismiss thereafter.
- Recommend to the Board, candidates for all directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder and to recommend to the Board candidates to fill the Audit, Nomination, Remuneration or other Board Committees. A description/specification for the new Directors should be drafted before identifying possible candidates. Candidates should be evaluated against this specification.
- Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

Meetings

The Nomination Committee shall meet at least once a year. The Committee will meet as and when required and report to the Board after each meeting.

The Nomination Committee Meetings shall be chaired by the Chairman of the Committee. In the absence of the Chairman of the Nomination Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members. All recommendations and findings of the Nomination Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Managing Director and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Nomination Committee Chairman.

SIN HENG CHAN (MALAYA) BERHAD (4690 V)

REMUNERATION COMMITTEE

COMPOSITION AND TERMS OF REFERENCE

COMPOSITION

The Remuneration Committee of Sin Heng Chan (Malaya) Berhad (“SHC” or “the Company”) shall be appointed by the Directors from among themselves via a Director’s resolution and shall compose of wholly Non-Executive Directors.

The members of the Remuneration Committee shall elect a Chairman from among themselves. All members of the Remuneration Committee, including the Chairman, will hold office only so long as they serve as Directors of SHC.

TERMS OF REFERENCE

Objective

The objective of the Remuneration Committee is to set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Managing Director, Executive Directors, the Chief Financial Officer and other selected top management positions with the aim to attract, retain and motivate individuals of the highest quality.

Executive Directors shall abstain from the deliberations and voting on decisions in respect of their respective remuneration package.

The remuneration and entitlements of the Non-Executive Directors including the Non-Executive Chairman shall be a matter to be decided by the Board of Directors as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

Authority

In carrying out its duties and responsibilities, the Remuneration Committee will in principle have access to SHC’s records, properties and personnel. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

The Remuneration Committee will review the compensation of Executive Directors, the Managing Director and recommend appropriate adjustments to the Board of Directors for their approval.

Duties and Responsibilities

The following are the main duties and responsibilities of the Remuneration Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:-

- Set, review, recommend and advise the Board of Directors on the policy and framework for the directors' remuneration and benefits as well as the remuneration packages and terms and conditions for the executive directors, chief executive officer and other key senior management executives ensuring that the level of remuneration and benefits were sufficiently competitive to attract, motive and retain a team of executive directors and key executives to manage the Company successfully and profitably.
- Review and recommend to the Board of Directors the contributions and performance of the executive directors, chief executive officer and key management executives on an annual basis to determine the level of rewards, both monetary and non-monetary, to be distributed to them based on the Company's profit performance as well as individual contributions and performance and taking into consideration current market practice.
- Non-Executive Directors to be paid annual Directors' fees and sitting allowances and reimbursement for attending Board and Board Committee meetings on company's matters. The level of such payments would be determined at full Board level meetings.
- Review the history of and proposals for the remuneration package of the Company's committees.

Meetings

The Remuneration Committee shall meet at least once a year. The Remuneration Committee will meet as and when required and report to the Board after each meeting.

The Remuneration Committee Meetings shall be chaired by the Chairman of the Remuneration Committee. In the absence of the Chairman of the Remuneration Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members. All recommendations and findings of the Remuneration Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Managing Director (if not a member of the Remuneration Committee) and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Remuneration Committee Chairman.