

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

A. Constitution

- (1) The Board hereby resolves to establish a Committee of the Board to be known as the Audit Committee.

B. Membership

- (1) The Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than three members, a majority of whom should be independent, with one of them with appropriate professional qualifications or accounting or related financial management expertise. A quorum shall be two members.
- (2) The Chairman of the Committee shall be appointed by the Board and should be an independent director.

C. Attendance at meetings

- (1) At least once a year the Committee shall meet with the external and internal auditors / or their representatives without executive Board members present.
- (2) The company secretary shall be the secretary of the Committee.

D. Frequency of meetings

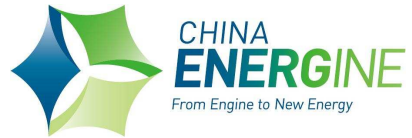
- (1) Meetings shall be held not less than twice a year. The external auditors may request a meeting if they consider that once is necessary.

E. Authority

- (1) The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- (2) The Committee is authorized 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.

F. Duties

- (1) The duties of the Committee shall be:
- (a) To consider the appointment of the external auditor, the audit fee and any matters of resignation or dismissal;
 - (b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
 - (c) To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
 - (d) To review the interim and annual financial statements before submission to the Board, focusing particularly on:
 - (i) Any changes in accounting policies and practices;
 - (ii) Major judgmental areas;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) The going concern assumption;
 - (v) Compliance with accounting standards; and
 - (vi) Compliance with stock exchange and legal requirements.
 - (e) To review the external auditors management letter and management's responses;
 - (f) To review the company's systems of financial controls, internal control and risk management;
 - (g) To ensure the management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programmes and budget;



- (h) To report to the board on the matters set out in this code provision;
- (i) To consider the major findings of internal investigations and management's responses; and
- (j) To consider other topics, as defined by the Board.

G. Reporting procedures

- (1) The secretary shall circulate the minutes of meetings and reports of the Committee to all members of the Board.