

agenda for
the new millennium:
a **Khind**
in every home



dear
shareholders
the future is
growing



board of directors

Cheng King Fa
Chairman



Dato' Cheng Hup
Managing Director



Cheng Ping Keat
Executive Director
Audit Committee Member



**Nordin Bin
Mohamad Desa**
Audit Committee Chairman



**Tan Lay Kuan @
Tan Lay Wah**
Audit Committee Member



**Md Azmi Bin
Lop Yusof**
Non Executive Director



Cheng Ping Loke
Non Executive Director



Then Nyong Fah
Non Executive
Independent Director



**Lee Ah Lan @
Lee Keok Hooi**
Non Executive
Independent Director



Khind Holdings Berhad
(380310-D)



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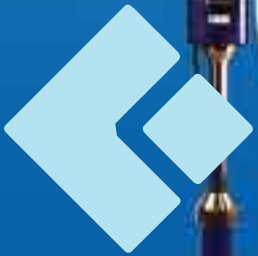
trust,
integrity

& accuracy is our basis

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MEMBERS OF THE AUDIT COMMITTEE:

- Chairman - Nordin Bin Mohamad Desa
(non-executive independent director)
- Members - Cheng Ping Keat (executive director)
- Tan Lay Kuan @ Tan Lay Wah
(non-executive independent director)

TERMS OF REFERENCE

Formation

In compliance with the KLSE Listing Requirements, the Board of Directors of the Company had on 10 August 1998 resolved to establish a Committee of the Board to be known as the Audit Committee.

Objective of the Audit Committee

It is the objective of the Audit Committee to assure the shareholders of the Company that the Company has complied with specified financial standards and required disclosure policies developed and administered by the KLSE. In addition, the Audit Committee is also determined to ensure consistency with the KLSE's commitments to encourage high standards of corporate disclosure. The Audit committee will endeavor to adopt certain practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company's shareholders.

Duties and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee include: -

1. To consider the appointment of the external auditor, the audit fee, and any questions of registration or dismissal;
2. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
3. To review the quarterly, half-year and annual financial statements before submission to the Board, focusing particularly on:
 - * any changes in accounting policies and practices;
 - * major judgemental areas;

- * significant adjustments resulting from the audit;
- * the going concern assumption;
- * compliance with accounting standards; and
- * compliance with stock exchange and legal requirements.

4. 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);
5. To review the internal audit programme, consider the major findings of internal audit investigations and management's response, and ensure coordination between the internal and external auditors;
6. To keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and management's response; and
7. To consider other topics, as defined.

Powers of the Audit Committee

In carrying out their duties and responsibilities, the Audit Committee will in principle have full, free and unrestricted access to all the Company's records, properties and personnel.

Meetings

The Audit Committee will meet at least two (2) times in a year. The internal and/or external auditor(s) has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required by the Company. Upon the request of the auditor(s), the Chairman of the Audit Committee shall also convene a meeting of the Committee to consider any matters the auditor(s) believes should be brought to the attention of the Board of Directors or the shareholders.

The Company Secretary shall be the secretary to the Audit Committee and shall be responsible for keeping the minutes and circulating them to the Committee Members and to the Board of Directors.

thank you
for
investing
in us

