



## Calendar Highlights

| January 2005 | Office Building  
> Fire Drill Exercise



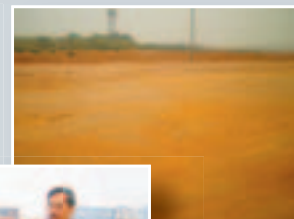
| October 2004 | Fraser's Hill  
> Team Building "Perception Change"



| October 2004 |  
> ET Presentation by Mr. Hamif



| January 2005 |  
> CEO and the land in China





Press Metal Berhad (153208-W)

## Calendar Highlights

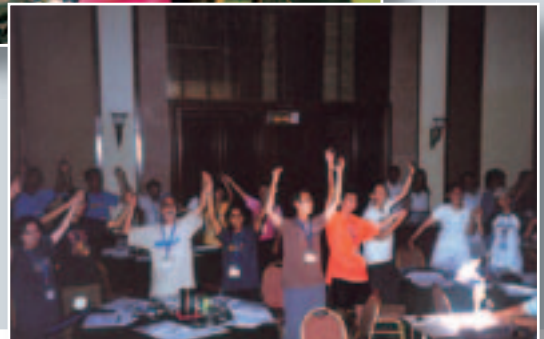
| **January 2004** | **Company Compound**  
> "Gotong-royong" Exercise



| **July 2004** |  
> OSH Module 2 Training



| **December 2004** | **Port Dickson**  
> Team Building







## Calendar Highlights

| **September 2004** | **Company Compound**  
> Safety Awareness Training for Executive



| **September 2004** | **Company Compound**  
> Safety Training for Workers






Press Metal Berhad (153208-W)

## Calendar Highlights

| **April 2005** | **Company Compound**  
> Bullet Proof Managers Briefing





## Audit Committee Report

### MEMBERSHIP

The members of the Audit Committee (the "Committee") are as follows:-

**Mohamad Faiz Bin Abdul Hamid** (Chairman)  
*Independent Non-Executive Director*

**Loo Lean Hock**  
*Independent Non-Executive Director; Member of the Malaysian Institute of Accountants*

**Tan Heng Kui**  
*Independent Non-Executive Director*

**Dato' Koon Poh Keong**  
*Group Chief Executive Officer*

### ATTENDANCE AT MEETINGS

During the financial year, the Committee held four (4) meetings. The details of attendance of the Committee members are as follows:-

<u>Name of Audit Committee member</u>	<u>No. of meetings attended</u>
Mohamad Faiz bin Abdul Hamid	4/4
Dato' Koon Poh Keong	4/4
Loo Lean Hock	3/4
Tan Heng Kui	2/4

### TERMS OF REFERENCE

#### Composition of the Audit Committee

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors), which fulfils the following requirements:-

- a) The Audit Committee must be composed of no fewer than 3 members;
- b) A majority of the audit committee must be independent directors; and
- 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 Accounts, he must have at least 3 years' working experience and :-
    - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967;
    - 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
    - fulfill such nor requirements & prescribed by the Exchange.

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 items (a) to (c) above, the vacancy must be filled within 3 months of that event. The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.



## Audit Committee Report

### OBJECTIVES

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

### DUTIES AND RESPONSIBILITIES

The following are the main duties and responsibilities of the Audit Committee:-

- a) Recommend to the Board on the appointment and annual re-appointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit.
- b) Discuss with the external auditors before the audit commences, the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved.
- c) Review the quarterly results and annual financial statements of the Company and the Group prior to approval by the Board whilst ensuring that they are prepared in a timely and accurate manner complying with all accounting and regulatory requirements and are promptly published.
- d) Discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss in the absence of the Management where necessary.
- e) Review the external auditors' management letter and Management's response.
- f) Review the assistance and co-operation given by Press Metal Berhad and its Group's officers to the external and internal auditors.
- g) Evaluate the standards of internal controls and financial reporting of the Press Metal Group of Companies.
- h) Review any related party transactions and conflict of interest situation that may arise within Press Metal Berhad or the Group, including any transactions, procedure or course of conduct that raises questions of management integrity.
- i) Consider other issues as defined by the Board.

### RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee shall, wherever necessary and reasonable for the Company to perform of its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) Have authority to investigate any matter within its terms of reference;
- b) Have the resources which are required to perform its duties;
- c) Have full and unrestricted access to any information pertaining to the Company;
- d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) Be able to obtain independent professional or other advice and;
- f) Be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.





## Audit Committee Report

### MEETINGS

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. However, at least once a year the Audit Committee shall meet with the external auditors without executive Board members present.

In addition, the Chairman may call a meeting of the Audit Committee at the request of any committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

### INTERNAL AUDIT FUNCTION

The primary role of the internal audit function is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound system of internal control and that established policies and procedures are adhered to.

The internal audit function which reports directly to the Audit Committee should carry out its responsibilities with impartiality, proficiency and due professional care.

### ACTIVITIES REPORT

The main activities undertaken by the Internal Audit were as follows:-

1. Regularly examining the controls over all significant Group's operations and systems to ascertain whether the systems established provide reasonable assurance that the Group's objectives and goals will be met efficiently and economically.
2. Preparing the annual audit plan for deliberation by the Audit Committee.
3. Acting on suggestions made by the Audit Committee and/or senior management on concerns over operations or control.
4. Issuing audit reports which identify weakness and problems and contain recommendations for improvements.
5. Issuing audit reports to the appropriate level of management capable of achieving satisfactory results.