

RISK COMMITTEE ("RC")
Terms of Reference

The RC falls within the purview of the Audit Committee.

1. Membership

The members of the committee comprise the following:-

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|----|------------------------|---|--|
| a) | Dato' Sri Ng Ah Chai | - | Executive Chairman & Chief Executive Officer |
| b) | Datin Sri Chee Ah Kuan | - | Member, General Manager (Credit Control) |
| c) | Tseu Chin Foo | - | Member, General Manager (Materials Processing) |
| d) | Lee Oon Kar | - | Member, Senior Manager (Finance) |

2. Duties & Responsibilities

2.1 The committee shall identify, evaluate and manage significant risks inherent in the various operating areas which include the following:-

- a) External – Economic conditions, industry competition, technology changes.
- b) Regulatory – Changes in laws and regulations, non-compliance with statutory requirements including securities and exchange requirements.
- c) Financial – Borrowings, forex fluctuation, credit control, budgetary control, fraud.
- d) Corporate governance – Unauthorised or inappropriate press statements, communication of corporate mission, strategic plans to management staff.
- e) Customers – Customer service, relationship management, loss of key customers, customer preference.
- f) Products – Product knowledge, quality control.
- g) Suppliers – Shortage of raw material, timely delivery, quality.
- h) Operations – Increasing cost of production, use of illegal software, IT system breakdown, fire prevention, security, machinery breakdowns.
- i) Human capital - Staff turnover, succession planning, illegal foreign workers.

2.2 Existing controls shall be reviewed to determine their adequacy and additional controls implemented where necessary.

2.3 The RC shall direct the respective head of department to ensure that the control and review process is constantly carried out for his/her respective department. The head of department shall monitor and report on any changes in their respective areas that may impact the risk profile.

3. Meetings

The RC will conduct regular meetings with the respective heads of department to carry out the review of the risks identified and the actions taken to manage such risks.