

YANLORD LAND GROUP LIMITED
(the “Company”)

AUDIT COMMITTEE
TERMS OF REFERENCE

COMPOSITION:- The Audit Committee should comprise at least three (3) directors, all non-executive, the majority of whom, including the chairman, should be independent. The members of the Audit Committee shall elect a chairman from among their number who is not an employee of the Company or any related corporation. At least two (2) members of the Audit Committee, including the chairman, should have recent and relevant accounting or related financial management expertise or experience. The Audit Committee should not comprise former partners or directors of the Company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

ROLE:- The role of the Audit Committee is to assist the board of directors of the Company (“Board”) in discharging its responsibility objectively to safeguard the assets of the Company, ensure integrity of the Company’s financial reporting, and develop and maintain adequate and effective systems of internal controls, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Group.

The Audit Committee will provide a channel of communication between the Board, our management, our internal auditors and our external auditors on matters relating to audit.

TERMS OF REFERENCE

1. CESSATION OF MEMBERSHIP

If a member of the Audit Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within two (2) months, but in any case not later than three (3) months, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. ADMINISTRATION

2.1 Meetings

- (i) The meetings of the Audit Committee (each, a “Meeting”) may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a Meeting signed by the chairman shall be conclusive of any Meeting conducted as aforesaid.
- (ii) The Audit Committee shall meet, at a minimum, on a half-yearly basis or in accordance with the requirement for financial reporting by the Company, as appropriate. Additional Meetings may also be held by the Audit Committee to discuss other issues which the Audit Committee considers necessary. In the event that an emergency meeting is required, such a meeting may be carried out via telephone conference or other methods of simultaneous communication by electronic or telegraphic means.
- (iii) The Audit Committee shall have full discretion with regard to the calling of any Meeting and the proceedings thereat and may invite any director or executive officer to any Meeting.

- (iv) The internal auditors shall attend all Meetings and minute the proceedings of such Meetings. The minutes shall be provided to all Members and confirmed by the chairman. Any minutes signed by the chairman of the Meeting to which they relate or of the Meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein.

2.2 Notice

The procedures and practice as may be adopted by the Board for regulating the meetings and proceedings of the Board, so far as the same are applicable hereto, shall apply.

Notice of every Meeting shall be given to each of the Audit Committee member at least seven (7) days before the intended date of a Meeting (or such shorter notice as may be agreed by the Audit Committee). Except in emergencies, an agenda and accompanying Meeting papers should be sent or uploaded to the electronic board portal, in advance, prior to the intended date of a Meeting (or the physical copy(ies) of such Meeting paper(s) should be tabled to the Audit Committee at the Meeting for discussion or consideration).

2.3 Quorum

The quorum for any Meeting shall be two (2) members, provided that both shall be independent directors.

2.4 Chairman of meeting

If, at any Meeting, the Audit Committee chairman is not present within 15 minutes after the time appointed for holding the Meeting, the members present may choose one of the other independent members to be the chairman of the Meeting.

2.5 Voting

Each member present whether in person or otherwise shall have one vote. All resolutions passed in the Meeting shall be by majority votes. If the votes for and against a resolution are equal, the chairman shall have a casting vote. No member shall review transactions or vote in respect of matters in which he/she is interested.

2.6 Written resolutions

Any resolution in writing signed by a majority of the members of the Audit Committee shall be as valid and effectual as if it had been passed at a Meeting of the Audit Committee duly convened and held.

2.7 Secretary

The Company Secretary or his/her nominee shall act as the Secretary of the Audit Committee.

3. DUTIES AND RESPONSIBILITIES

The Audit Committee shall meet periodically to perform the following functions:-

- (a) review with the external auditors the audit plan and their evaluation of the system of internal accounting controls;
- (b) review the financial statements including statements of financial position, statement of profit or loss and statement of comprehensive income (as the case may be), and any significant financial reporting issues and judgements, before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and

compliance with the SGX-ST Listing Manual and any other relevant statutory regulatory requirements;

- (c) review at least annually the adequacy and effectiveness of the internal controls and ensure co-ordination between the auditors and our management, and review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);
- (d) review and discuss with the auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response including to review the whistle-blowing policy for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (e) consider the appointment or re-appointment of the external auditors including remuneration of the external auditors, taking into consideration the Audit Quality Indicators (or other factors/requirements as may be amended from time to time) and matters relating to the resignation or dismissal of the auditors;
- (f) review interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual and consider whether such transactions is carried out on normal commercial terms whereby the number and terms are fair and reasonable and is not prejudicial to the interests of the Company and its minority shareholders;
- (g) review potential conflicts of interest, if any;
- (h) review the assurance from the Chief Executive Officer, the Group Financial Officer and internal auditors (or such other officer/management of equivalent level) on the financial records and financial statements;
- (i) undertake such other reviews and projects as may be requested by our Board, and will report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (j) generally undertake such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

4. AUDITORS

Where the auditors also supply non-audit services to the Company, the Audit Committee shall review the nature and extent of such services and seek to balance the maintenance of objectivity and value for money.

The Audit Committee shall review all non-audit services provided by the auditors and confirm that, in the Audit Committee's opinion, such provision of non-audit services would not affect the independence of the auditors.

4.1 External Auditor

The Audit Committee shall discuss with the external auditors any problems or concerns arising from their interim reviews and final audits, and any other matters which the external auditors

may wish to discuss. The Audit Committee should meet with the external auditors without the presence of Management at least annually.

The Audit Committee shall ensure co-ordination between the Company and its subsidiaries and overseas subsidiaries where more than one audit firm is involved.

The Audit Committee shall monitor the adequacy, effectiveness, independence, scope and results of the external audit, and give its recommendations to the Board and the Company in general meetings regarding the appointment, re-appointment or removal of the external auditors.

The Audit Committee should review the independence of the external auditors annually.

4.2 Internal Auditors

The internal auditors shall review and advise on the internal audit system of the Company. The internal auditors' scope of work shall be agreed with the Audit Committee.

The internal audit function shall be independent of the activities it audits.

The Audit Committee shall:-

- ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- For the avoidance of doubt, the internal audit function can either be in-house, outsourced to a reputable accounting/auditing firm, or performed by a major shareholder, holding company or controlling enterprise with an internal audit staff;
- ensure that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies; and
- review the internal audit program and ensure co-ordination between the internal auditors, external auditors and management.

The internal auditor's primary line of reporting is to the chairman of the Audit Committee. The Audit Committee shall decide on the appointment, termination and remuneration of the head of the internal audit function. The internal auditor would also report administratively to the Chief Executive Officer.

The Audit Committee should meet with the internal auditors without the presence of Management at least annually. The Audit Committee should, at least annually, review the adequacy, effectiveness and independence of the internal audit function.

5. Other duties

The Audit Committee shall:-

- undertake such other reviews and projects as may be requested by the Board or as the Audit Committee may consider appropriate; and
- undertake such other functions and duties as may be required by law or by the Listing Manual, as amended from time to time.

6. These terms of reference may from time to time be amended as required by majority vote of the Audit Committee subject to the approval of the Board.