

SUNWAY CONSTRUCTION GROUP BERHAD

(Company No. 1108506-W)

NON AUDIT SERVICES POLICY

1. INTRODUCTION

The Audit Committee (“the Committee”) of Sunway Construction Group Berhad (“SunCon”) is responsible for reviewing, assessing and monitoring the performance, suitability and independence of the external auditors. The objective of this Policy is to outline the guidelines and procedures for the Audit Committee to assess and monitor the provision of non-audit services by the external auditors.

2. NON-AUDIT SERVICE

The external auditors can be engaged to perform non-audit services that are not, and are not perceived to be, in conflict with the role of the external auditors. This excludes audit related work in compliance with statutory requirements.

The prohibition of non-audit services is based on 3 basis principles as follows:-

- a) External auditors cannot function in the role of Management;
- b) External auditors cannot audit their own work; and
- c) External auditors cannot serve in an advocacy role of Sunway Group.

The external auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants in relation to the provision of non-audit services, which include amongst others, the following:-

- i) Services in relation to corporate exercises undertaken by Sunway Group;
- ii) Accounting treatment for new Malaysian Financial Reporting Standards (MFRS); and
- iii) External Auditor’s certification for tenders or renewal of license.
- iv) Any other certification required for operation and financing purposes.

3. APPROVAL OF NON-AUDIT SERVICES

All engagements of the external auditors to provide non-audit services above the statutory audit fee are subject to the approval/endorsement of the Audit Committee. Prior approval of the Audit Committee must be obtained before commencement of the works.

The Chief Financial Officer of the Company shall table the total non-audit fees incurred for the financial year to the Audit Committee for approval/endorsement.

Management shall obtain confirmation from the external auditors that the independence of the external auditors will not be impaired by the provision of non-audit services.

4. ANNUAL ASSESSMENT

The Audit Committee shall carry out annual assessment on the performance, suitability and independence of the external auditors in conducting the non-audit services above the statutory audit fee.

The Committee may also request the Chief Financial Officer and Head of Group Internal Audit Department to perform the annual assessment of the external auditor.

5. REVIEW OF THE POLICY

The Audit Committee shall review the Policy periodically to ensure that it continues to remain relevant and appropriate.