

# AUDIT COMMITTEE REPORT

The Audit Committee, formed on 24 October 2012 comprising 6 members, has been entrusted to oversee financial reporting, evaluate the internal and external audit process as well as to review conflict of interest situations and related party transactions.

Name of Directors	Designation	Number of Meetings Attended
Baljeet Kaur Grewal A/P Jaswant Singh (Chairman)	Independent Non-Executive Director	4/4
Navid Chamdia	Non-Independent Non-Executive Director	3/4
Dato' Seri Mohamed Azahari bin Mohamed Kamil	Independent Non-Executive Director	4/4
Dato' Mearia @ Massahariah binti Hamzah	Independent Non-Executive Director	4/4
Nor Rejina binti Abdul Rahim	Independent Non-Executive Director	4/4
Ang Ah Leck	Independent Non-Executive Director	4/4

Summary of work undertaken by the Audit Committee during the year under review were as listed below :-

- (a) reviewed and deliberated with the Manager's management the quarterly financial results to recommend to the Board for approval and release to Bursa Malaysia. Consideration was given by the Audit Committee to understand financial results of each properties with close attention given to update under "Prospects"
- (b) reviewed list of related party transactions every quarter to determine whether there has been any material change as compared to the previous quarter and whether the transactions have been established under normal commercial terms that were no more favourable to the related parties than those generally available to the public
- (c) reviewed the internal audit plans prepared by BDO Governance Advisory Sdn Bhd and ultimately decided on cyber security posture review and internal control review of anti-bribery and anti-corruption adequate procedures, anti-money laundering, counter financing of terrorism and countering proliferation financing compliance
- (d) thereafter, BDO briefed the Audit Committee on their findings of review, proposed recommendations and corresponding Manager's responses
- (e) reviewed the audit plan with the external auditor, KPMG PLT by understanding its audit methodology, significant risk areas and accounting policies / disclosures and timing
- (f) reviewed the covenant / condition for payment of balance purchase consideration for Pavilion Bukit Jalil
- (g) reviewed audited financial statements and recommend to the Board and trustee for adoption
- (h) had a private session with KPMG PLT (without the presence of the Manager's management)
- (i) reviewed and commented on the audit committee report and statement on risk management and internal control for inclusion into the integrated annual report
- (j) evaluated the work scope, approach and fees of the outsourced internal auditor and recommended their engagement
- (k) evaluated the approach and fees of the external auditor and recommended their engagement for the following year

## Audit and Non-Audit Fees

Audit and non-audit fees payable to the external auditor of Pavilion REIT for the current financial year amounted to RM310,000 and RM98,700 respectively.