



Fatfish Internet Group Limited

Board Audit Committee Charter

24 April 2015

PURPOSE

1) The purpose of the Fatfish Internet Group Limited (FFG) Board Audit Committee (BAC) is to assist the Board to discharge its responsibilities by having oversight of the:

- a) Integrity of the financial statements and financial reporting systems of FFG and its related bodies corporate (the FFG Group);
- b) External audit engagement, including the external auditor's qualifications, performance, independence and fees;
- c) Performance of the internal audit function (Group Assurance [when applicable]); and
- d) FFG Group's financial reporting and compliance with prudential regulatory reporting.

With reference to the Board Risk & Compliance Committee (when applicable), this includes an oversight of the FFG Group's regulatory and statutory reporting requirements.

2) The BAC will primarily fulfil these responsibilities by carrying out the activities outlined in the Responsibilities and Duties section of this Charter.

COMPOSITION

3) The BAC must comprise three or more Directors as determined by the Board. Majority members shall be Non-executive independent Directors and will be free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgment as a member of the BAC.

4) The BAC shall be chaired by an independent Non-executive Director, who is not the Chairman of the Board.

5) Should the Chairman of the BAC be absent from any meeting of the BAC, the members of the BAC present at that meeting shall appoint one of their number to be Chairman of that meeting.

- 6) All members of the BAC shall have a working familiarity with basic finance and accounting practices, and at least one member of the BAC shall have previous audit committee experience of a publicly listed entity in a recognised stock exchange.
- 7) BAC members shall not serve on the audit committees of more than four other public companies unless the Board determines such service does not impair the member's ability to serve on the BAC.
- 8) New BAC members will receive induction training from the Chairman of the BAC and the Chief Executive Officer's team.

MEETINGS

- 9) The BAC shall meet at least four times annually, or more frequently as necessary. Meetings should correspond with FFG's financial reporting cycle.
- 10) As an ongoing part of its role to foster open communication, the BAC should meet regularly with management and the external auditors in separate executive sessions to discuss any matters the BAC or each of these groups believe should be discussed privately.
- 11) The BAC may request any officer or employee of the FFG Group, external legal counsel or any person or group with relevant experience or expertise to attend meetings of the BAC or to meet with any members or consultants to the BAC.
- 12) Other Directors of the Board are entitled to attend BAC meetings and will receive copies of the BAC papers upon request.
- 13) A quorum of any meeting will be two members including the Chairman. The Secretary of the BAC will be the Group Company Secretary or his or her designated representative.
- 14) The agenda and supporting documentation will be circulated to the BAC members within a reasonable period in advance of each meeting. The Secretary of the BAC will circulate minutes of meetings to members of the BAC and the Board.
- 15) The external auditor is entitled to be invited to and to attend all meetings of BAC. The BAC may request the external auditor to meet with any member or consultant to the BAC.
- 16) Where approvals are granted outside a meeting of the BAC, a report is to be provided to the next meeting of the BAC for ratification.
- 17) The BAC may adopt such rules and regulations as it deems appropriate for the conduct of its affairs, provided only that they are not inconsistent with the FFG Constitution, this Charter (as amended from time to time) or any resolution of the Board.

REPORTING

18) The Chairman of the AC shall regularly update the Board about BAC activities and make appropriate recommendations. The minutes of each meeting will be tabled at the next Board meeting.

19) The BAC will refer to the Board any matters that have come to the attention of the BAC that are relevant for the Board.

20) If required, the BAC will provide relevant periodical assurances to the Board.

21) The BAC will review any reports required by law or listing rules or requested by the Board including the appropriate section on corporate governance in the annual report or other shareholder documents.

RESPONSIBILITIES AND DUTIES

22) Without limiting its role, to fulfil its responsibilities and duties the BAC will:

Financial Reporting Processes

23) Review and discuss with management and the external auditor the half year reviewed and annual audited financial statements, including relevant disclosures in the Operating and Financial Review and Prospects section of the Annual Report and recommend to the Board whether the financial statements should be issued.

24) Discuss with management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the FFG Group's financial statements, including significant changes in the FFG Group's selection or application of accounting principles. Review with the external auditor their report regarding significant findings in the conduct of their audit and the adequacy of management's response.

25) Discuss with management and the external auditor any major issues as to the adequacy and effectiveness of the FFG Group's internal controls over financial information, reporting and disclosure as well as any special steps adopted in light of material control deficiencies.

26) Discuss with management and the external auditor, judgments on the quality and applicability of the FFG Group's accounting principles as applied in its financial reporting, including use of alternative disclosures and accounting principle treatment.

27) Review and discuss:

- a) the process by which management controls the information on FFG Group earnings reported to the media, included in analysts presentations and incorporated in disclosures released to stock exchanges; and
 - b) the type and presentation of information to be included in such disclosure including the use of any “pro forma” or “adjusted” information.
- 28) Discuss with management and the external auditor the process surrounding and the disclosures made by the Chief Executive Officer and the Chief Financial Officer in connection with their personal certification of the half yearly and annual financial statements.
- 29) Discuss with the external auditor the FFG Group’s major financial risk exposures and the steps management has taken to monitor and control such exposures including the FFG Group’s risk assessments and risk management policies.
- 30) Receive and consider reports from the Chairman of the Board Risk & Compliance Committee on relevant risk matters that should come to the attention of the BAC.

External Audit

- 31) Recommend to the Board the selection and termination of the external auditor, subject to shareholder ratification, considering independence and effectiveness of the external auditor (including the background and experience of partner and auditing personnel).
- 32) Review annually and approve the terms of engagement and fees and other compensation to be paid to the external auditor including making an assessment whether the external auditor meets the Audit Independence tests set out in APES 110 Code of Ethics for Professional Accountants, as well as other additional independence requirements set out by the relevant authorities.
- 33) The external auditor will report directly to the BAC.
- 34) Regularly review the audit plan for coverage of all material risks and financial reporting requirements.
- 35) Discuss with the external auditor matters relating to the conduct of the audit including any difficulties encountered in the course of the audit work, any restrictions on scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management’s response.
- 36) Annually review audit-related, taxation and other non-audit services to be performed for the FFG Group by the external auditor. This may incorporate delegation of the power to grant approval to a sub-committee consisting of one or more members of the BAC where appropriate.
- 37) Monitor the application of the annual review through receipt of regular reports on the provision of non-audit services provided by the external auditor.

38) Oversee the external audit engagement, including a review of the performance of the external auditor. Obtain and review a report from the external auditor at least annually on details of the auditor's internal quality control procedures, and the quality and capabilities of the lead engagement staff.

39) Periodically consult with the external auditor out of the presence of management about internal controls over financial information, reporting and disclosure and the fullness and accuracy of the FFG Group's financial statements.

40) Review and discuss with the external auditor all significant relationships the external auditor has with the FFG Group and obtain a declaration from the external auditor to provide reasonable assurance that the external auditor's independence is maintained.

Oversight of Group Assurance (when applicable)

41) Recommend to the Board the appointment and replacement of the General Manager Group Assurance. The General Manager Group Assurance has a reporting line to the Chairman of the BAC.

42) Periodically, meet with the General Manager Group Assurance without management being present.

43) Review and discuss quarterly reports to the BAC prepared by Group Assurance containing Group Assurance's independent opinion and relevant commentary on management control over (a) financial reporting risk; and (b) the control environment over;

(i) financial risks; (ii) operational risks; and (iii) the compliance and legal environment.

44) Monitor the report on long term resolution issues confirming that management's responses are received, discussed and appropriately acted upon.

45) Review and approve Group Assurance's charter, annual strategic plan, budget and staffing.

46) Review Group Assurance's structure, independence and access to senior management, the BAC and the Board.

47) Review the effectiveness of Group Assurance and that it has appropriate standing within the FFG Group.

Financial Reporting Regulatory Compliance

48) Obtain regular reports from management and the external auditor that the FFG Group and its subsidiary/foreign affiliated entities are in conformity with applicable financial information, reporting and disclosure legal and regulatory requirements. Advise the Board with respect to

the FFG Group's policies and procedures regarding compliance with applicable laws and regulations over financial information, reporting and disclosure.

49) Review reports from management and the external auditor on the identification and resolution status of material weaknesses and reportable conditions in the internal control environment, including any significant deficiencies in the design or operation of internal controls that could adversely affect the FFG Group's ability to record, process, summarise and report financial data.

50) Review and approve the policies and procedures that exist for the receipt, retention and treatment of information submitted confidentially by employees and third parties about accounting, internal controls, compliance, audit or other matters about which an employee has concerns, and monitor employee awareness of the policies and procedures.

51) Discuss with management and the external auditor any correspondence with regulators or government agencies and any published reports which raise material issues or could impact on matters regarding the FFG Group's financial statements or accounting policies.

52) Discuss with the Chief Executive Officer and the Chief Compliance Officer & Group General Counsel, legal matters that may have a material impact on, or require disclosure in, the financial statements.

Other Responsibilities

53) Review and update the Charter at least every two years and recommend changes to the Board for approval.

54) Review its own performance annually as part of the Board evaluation process and report such findings to the Board.

55) Retain independent legal, accounting or other advisors as required. The BAC shall have the resources and authority necessary or appropriate to discharge its duties and responsibilities, including authority to select, retain, terminate and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors as it deems necessary or appropriate, without seeking approval of the Board or management.

56) Set clear hiring policies for employees or former employees of the external auditor.

57) Oversee and monitor tax risk for the FFG Group, including reviewing the tax report quarterly.

58) Receive and review the Group Support Instruments Register and the Non Arms-Length Register and Associations with Related Entities, on an annual basis.

59) Receive and review reports as required by regulation.

60) Members of the BAC will be available to meet with the relevant authorities on request.



Limitation of the BAC's Role

61) While the BAC has the responsibilities and powers set out in this Charter, it is not the duty of the BAC to:

- a) plan or conduct audits, which is the responsibility of the external auditor; or
- b) determine that the FFG Group's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. This is the responsibility of the Board based on the recommendation of, and reliance on certifications provided by, management.

DOCUMENT CHANGE HISTORY

Version 1

Number 1

Conducted by Donald H Low

Approved by Dato' Larry Nyap Liou Gan

Date 7 April 2015

Description of changes N/A