



ASAT Holdings Limited
INTERNAL AUDIT CHARTER
(As adopted by the Board of Directors on April 15, 2008)

MISSION AND SCOPE OF WORK

The mission of the internal audit function is to provide independent, objective assurance and advisory services designed to add value and improve the ASAT's operations. It helps ASAT accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness and efficiency of risk management, control, and governance processes.

The scope of work of the internal audit function is to determine whether ASAT's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Compliance, operational and financial risks are identified and addressed to management
- Interaction with the Board of Directors, Audit Committee and senior management
- Financial, managerial, and operating information is accurate, reliable, and timely
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- Resources are acquired economically and used efficiently
- Programs, plans, and objectives are achieved
- Quality and continuous improvement are fostered in ASAT's control process
- Significant legislative or regulatory issues impacting ASAT are recognized and addressed
- Compliance with the provisions set forth in the Sarbanes-Oxley Act of 2002
- Annual testing of key financial reporting controls in identified financial systems and processes is performed

Opportunities for improving management control, productivity, profitability, and ASAT's image may be identified during audits and will be communicated to the appropriate levels of management.

ACCOUNTABILITY

The chief audit executive and internal audit staff, in-house or outsourced, shall be directly accountable to the Audit Committee of the Board of Directors and will receive management support and administration from the Chief Financial Officer to:

- Integrate the internal audit activities with that of the company's independent public accountants
- Periodically provide an assessment on the adequacy and effectiveness of ASAT's processes for controlling its activities and managing its risks in the areas set forth under the section above entitled Mission and Scope of Work

- Report significant issues related to the processes for controlling the activities of ASAT and its affiliates, including potential improvements to those processes, and provide information concerning such issues through issue resolution
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of internal audit resources, whether in-house or outsourced
- Coordinate with other control and monitoring functions (compliance, security, legal, ethics, environmental, external audit)

INDEPENDENCE

To provide for the independence of the internal audit function, its personnel, in-house or outsourced, report to the chief audit executive, who reports directly to the Audit Committee of the Board of Directors and obtains administrative support from the chief financial officer.

RESPONSIBILITY

The chief audit executive and the internal audit staff, in-house or outsourced, have the responsibility to:

- Develop an annual internal audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the audit committee for review and approval as well as provide periodic updates or recommended changes to the plan
- Implement the annual internal audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee
- Issue periodic reports to the audit committee and management summarizing results of audit activities
- Keep the audit committee informed of emerging trends and successful practices in internal auditing
- Assist in the investigation of significant suspected fraudulent activities within ASAT and notify management and the audit committee of the results
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter
- Adhere to the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics of the Institute of Internal Auditors and the ASAT Code of Conduct

AUTHORITY

The chief audit executive and internal audit staff, in-house or outsourced, are authorized to:

- Have unrestricted access to all functions, records, property, and personnel
- Have full and free access to the Audit Committee of the Board of Directors
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives
- Obtain the necessary assistance of personnel in units of ASAT where they perform audits, as well as other specialized services from within or outside ASAT

The chief audit executive and internal audit staff, in-house or outsourced, are not authorized to:

- Perform any operational duties for ASAT or its affiliates unless such operational duties are fully approved by the Audit Committee of the Board of Director. If the chief audit executive and/or the internal audit staff perform operational duties, then those individuals will not perform assurance services for an activity for which the internal auditor had responsibility within the previous year
- Initiate or approve accounting transactions external to the internal audit department
- Direct the activities of any ASAT employee not employed by the internal audit department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors

Chief Audit Executive

Chief Financial Officer

Audit Committee Chairman

Dated _____