



# Solargiga Energy Holdings Limited

(Stock Code: 757)

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE (Amended and restated with effect from 1 January 2019)

### 1. Membership

1.1. The Audit Committee shall be appointed by the Board and should comprise a minimum of three Members.

1.2. The Members shall be appointed from amongst the non-executive Directors. The majority of Members shall be independent non-executive Directors, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1.3. The Chairman of the Audit Committee must be an independent non-executive Director.

1.4. A Director who has acted as a member of an auditing firm should be prohibited from acting as a Member for a period of two years from the date of his ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is later.

1.5. The term of each appointment to the Audit Committee shall be determined by the Board upon appointment.

### 2. Secretary

2.1. The company secretary of the Company shall be the secretary of the Audit Committee (the Secretary).

2.2. The Audit Committee may from time to time appoint another Secretary with appropriate qualification and experience.

### 3. Meetings

3.1. Meetings shall be held not less than two times a year. The external auditors may make the request to the Chairman to convene a meeting of the Audit Committee.

3.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each Member, and to any other person required to attend in relation to all regular meetings of the Audit Committee, at least 14 days before the date of the meeting; and in relation to continued meetings held within 14 days, no prior notice is required.

3.3. The quorum of Audit Committee meetings shall be two Members, one of them should be an independent non-executive Director.

3.4. The Members may attend meetings either in person, by telephone or through other electronic means of communication (which are available to all attended parties).

3.5. Resolutions of the Audit Committee shall be passed with a majority of votes.

3.6. Resolutions signed by all Members will be treated valid as if it is passed in the meeting held by the Audit Committee.

3.7. Full minutes of the Audit Committee meetings shall be kept by the Secretary and shall be available for inspection by to th 14>BDC BT1 0 430 1 144.024 444.340262.13 608.86 Tm[ )JTE( v)an7. Ful.86cEBT4(ab)9(1)3(um)

## **6. Duties and responsibilities**

The duties of the Audit Committee is to serve as a focal point for communication between other directors, the external auditors, and the management as their duties relate to financial and other reporting, risk management and internal control systems and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of risk management and internal control systems and as to the efficiency of the audits.



6.12. to ensure that the Company's policies and practices;

6.13. to ensure that the Company's response to any concerns raised by employees or other persons in confidence, in accordance with the provisions of the Companies Act 2006, is appropriate;

6.14. to ensure that the Company's management letter;

6.15. to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management and internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

6.16. to act as the key representative of the Company's auditor;

6.17. to establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;

6.18. to report to the Board on the matters set out in paragraph C.3.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (as amended from time to time); and

6.19. to consider other topics, as defined by the Board.

## 7. Reporting responsibilities

7.1. After each meeting, the Audit Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

## 8. Authority

8.1. The Audit Committee is authorised by the Board to investigate any financial information and records of the Company.

8.2. The Audit Committee is authorised by the Board when necessary to seek any financial information it requires from any employee of the Company and its subsidiaries, to require any of them to prepare and supply financial information and answer questions raised by the Audit Committee.

8.3. The Audit Committee is authorised by the Board when necessary to seek outside legal or other independent professional advice in connection with its duties or to perform its responsibilities at the Company's expense.

Note: All such arrangements of obtaining outside legal or other independent professional advice may be made by the Secretary.

8.4. The Audit Committee shall be provided with sufficient resources to perform its duties.

*the responsibility of the Directors to determine which individual or individuals constitute senior management. Senior management may include any of directors of subsidiaries, heads of divisions, departments or other operating units within the Company and its subsidiaries as, in the opinion of the Directors, is appropriate.*

*The Chinese version of this document is for reference only. In case of any discrepancies or inconsistency between the English*