



ELATE HOLDINGS LIMITED

誼礫控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 076)

Elate Holdings Limited Terms of Reference: Audit Committee

1. Membership

1.1 The Audit Committee (the “Committee”) of Elate Holdings Limited (the “Company” or the Company together with its subsidiaries, together the “Group”) shall consist of at least three directors, all of whom shall be non-executive directors with majority of independent non-executive directors appointed by the board of directors (“the Board”) from time to time.

1.2 The chairman of the Committee shall be an independent non-executive director and appointed by the Board.

2. Secretary

The company secretary of the Company shall be the secretary of the Committee.

3. Notice of Meetings

Unless otherwise agreed, a 7-day notice should be served to all the Committee members.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be two.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Meetings

5.1 The Committee shall meet at least twice a year and at such other times as the chairman shall require.

5.2 In the absence of the chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

5.3 Only members of the Committee have the right to attend Committee meetings. Other individuals or auditors may be invited to attend any meetings as and when appropriate.

6. Minutes of Meetings

Written resolutions signed by the majority of the Committee members shall be valid and effectual as a minute duly passed in a Committee meeting.

7. Duties

The Committee shall:

- 7.1 Reviewed the Group's annual report, interim financial information and annual financial statements;
- 7.2 Reviewed significant accounting and audit issues;
- 7.3 Reviewed the external auditor's qualifications, independence and performance;
- 7.4 Assisted the Board to evaluate on the effectiveness of financial reporting procedures and internal control systems;
- 7.5 Reviewed the adequacy and effectiveness of the Group's system of internal control and risk management;
- 7.6 Advised on material event or drawing the attention of the management on related risks;
- 7.7 Reviewed connected transactions entered into by the Group or subsisting, if any;
- 7.8 Reviewed the effectiveness of the Group's risk management and internal control systems in respect of the previous fiscal year, and
- 7.9 Approved external audit engagement and fees.

8. Reporting Responsibilities

The chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.