



**GOLDIN PROPERTIES**  
**高銀地產**

**GOLDIN PROPERTIES HOLDINGS LIMITED**

**高銀地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 283)**

**AUDIT COMMITTEE**  
**TERMS OF REFERENCE**

**1. Establishment**

- 1.1 An audit committee (the “**Committee**”) was established by the board (the “**Board**”) of directors (the “**Directors**”) of Goldin Properties Holdings Limited (the “**Company**”) with written terms of reference adopted on 20 September 2005.
- 1.2 To cope with the amendments made to the Corporate Governance Code and Corporate Governance Report (the “**Code**”) set out in Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Board has further adopted the revised terms of reference (the “**Terms of Reference**”) of the Committee on 30 March 2012 and as amended to take effect on 1 April 2016 in accordance with the Code amendments.
- 1.3 The Committee shall act in accordance with the Terms of Reference and carry out its duties with the delegated authority of the Board.

**2. Membership**

- 2.1 The Committee shall be appointed by the Board and shall comprise a minimum of three members (the “**Members**”).
- 2.2 Membership shall be confined to non-executive Directors, of which the majority of whom must be independent non-executive Directors (“**INEDs**”) and at least one INED must have appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules.
- 2.3 The chairman of the Committee shall be appointed by the Board and must be an INED.
- 2.4 In the event that the Committee comprises also non-executive director(s), a non-executive director, who is a former partner of the Company’s existing auditing firm, shall be prohibited from acting as a Member of the Committee for a period of one year commencing on the date of his/her ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is the later.

2.5 The Board may from time to time vary the composition of the Committee as may be required by the Listing Rules as modified from time to time or the rules of any other stock exchange in respect of which the shares of the Company are listed or quoted, or other codes, rules and regulations as may be prescribed by the applicable authority from time to time.

### **3. Secretary**

3.1 The company secretary of the Company (“**Company Secretary**”) shall be the secretary of the Committee. In the absence of the Company Secretary in any meeting of the Committee, a Member shall act as the secretary of the meeting of the Committee.

3.2. The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

### **4. Frequency and Proceedings of Meetings**

4.1 The Committee must meet at least twice a year with the Company’s external auditor and may be convened by the secretary of the Committee on request of a Member or by any Member. The Company’s external auditor may request a meeting to be held if they consider it necessary.

4.2 Notice of any meetings has to be given at least 14 days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed as waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than 14 days.

4.3 The quorum of the Committee shall be any two Members and one of whom must be an INED.

4.4 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.

### **5. Attendance at Meetings**

5.1 At the invitation of the Committee, other members of the Board, the chief financial officer of the Company, and other persons may be invited to attend all or part of any meeting.

5.2 Only Members are entitled to vote at the meetings.

### **6. Minutes of Meetings**

6.1 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

6.2 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

6.3 Minutes of the Committee shall be kept by the secretary of the Committee and shall be open for inspection upon request by any Director. Draft and final versions of minutes of the meetings shall be circulated to all Members for their comment and records within a reasonable time after the meeting.

## **7. Annual General Meeting**

7.1 The chairman of the Committee or in his/her absence, another Member (who must be an INED), shall attend the Company's annual general meeting and be prepared to respond to shareholders' questions on the Committee's activities and their responsibilities.

## **8. Powers and Responsibilities**

The responsibility of the Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's relationship with the external auditor, the Company's financial information, financial reporting system, risk management and internal control systems. The Committee shall have the following powers and responsibilities:-

### *Relationship with the Company's External Auditor*

- 8.1 to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- 8.2 to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- 8.3 to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed; and
- 8.4 to act as the key representative body for overseeing the Company's relations with the external auditor, identify any matters in respect of which it considers that action or improvement is needed and make recommendations to the Board as to the steps to be taken;

### *Review of the Company's financial information*

- 8.5 to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on: -

- (a) any changes in accounting policies and practices;
- (b) major judgmental areas;
- (c) significant adjustments resulting from audit;
- (d) the going concern assumptions and any qualifications;
- (e) compliance with accounting standards; and
- (f) compliance with the Listing Rules and legal requirements in relation to financial reporting;

8.6 regarding 8.5 above:-

- (a) Members should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's external auditor; and

*Note: "senior management" refers to the same persons referred to in the Company's annual report and required to be disclosed under Appendix 16 to the Listing Rules.*

- (b) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

*Oversight of the Company's financial reporting system, risk management and internal control systems*

- 8.7 to review the Company's financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;
- 8.8 to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- 8.9 to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- 8.10 where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

- 8.11 to review the Group's financial and accounting policies and practices;
- 8.12 to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of risk management and control and management's response;
- 8.13 to ensure that the Board will provide a timely response to the Company raised in the external auditor's management letter;
- 8.14 to report to the Board on the matters contained in Appendix 14 to the Listing Rules;
- 8.15 to consider other topics, as defined by the Board; and
- 8.16 to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

*Others*

- 8.17 any other duties applicable to the Committee as specified in the Code or as delegated to the Committee by the Board from time to time.

**9. Reporting Responsibilities**

- 9.1 The Committee shall report to the Board after each meeting.

**10. Authority**

- 10.1 The Committee is authorised by the Board to inspect all accounts, books and records of the Company.
- 10.2 The Committee shall have the right to require the Company's management to furnish information on any matter relating to the financial position of the Company, its subsidiaries or affiliates, as may be required for the purposes of discharging its duties.
- 10.3 A director as a Member may seek independent professional advice in appropriate circumstances at the Company's expense to discharge his/her duties as a Member to the Company. Arrangement to seek independent professional advice can be made through the Company Secretary or the secretary of the Committee.
- 10.4 The secretary of the Committee, or such person as the secretary of the Committee shall direct, shall minute the proceeding and resolution of all Committee meetings, including the names of those present and in attendance.
- 10.5 The Committee shall be provided with sufficient resources to discharge its duties.

## **11. Publication of the Terms of Reference**

11.1 The Terms of Reference will be posted on the websites of the Stock Exchange and the Company. A copy of the Terms of Reference will be made available to any person without charge upon request.

*Note: This document has been written in the English and Chinese languages and, in the event of any conflict between the languages and any translation of this document, the English language version will prevail.*