



雅居樂

# **Agile Group Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3383)

## **Terms of Reference for Audit Committee**

ADOPTED ON 23 NOVEMBER 2005  
FIRST REVISION ON 14 APRIL 2009  
SECOND REVISION ON 16 DECEMBER 2011  
THIRD REVISION ON 8 MARCH 2012  
FOURTH REVISION ON 25 MARCH 2015  
FIFTH REVISION ON 23 AUGUST 2016

## **Terms of Reference for Audit Committee**

The board of directors (the "**Board**") of **AGILE GROUP HOLDINGS LIMITED** (the "**Company**") established an Audit Committee (the "**Committee**") and adopted these terms of reference in the meeting held on 23 November 2005 and further amended these terms of reference in the meetings held on 14 April 2009, 16 December 2011, 8 March 2012, 25 March 2015 and 23 August 2016, respectively. The Committee's constitution and duties are set out below:-

### **1. Membership and Quorum**

The members of the Committee shall be appointed by the Board and the Committee shall be of not less than three members, at least one of whom with appropriate professional qualifications in 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 (the "**Listing Rules**"). A quorum of a meeting of the Committee shall be two members.

The majority of the Committee must be independent non-executive directors.

The Chairman of the Committee must be an independent non-executive director.

### **2. Attendance at Meetings and Secretary**

The chief financial officer and the head of internal audit department of the Company and a representative of the external auditors of the Company (the "**Auditors**") shall attend the meetings of the Committee. Other members of the Board shall also have the right of attendance. The Committee shall meet at least twice a year with the Auditors and at least once a year meeting with the Auditors without management present at the meeting.

The secretary of the Company shall be the secretary of the Committee and shall be responsible to record and keep the minutes of meetings of the Committee.

### **3. Frequency of Meetings**

Meetings of the Committee shall be held not less than twice a year. The Auditors may also request a meeting if they consider necessary.

#### **4. Authority**

The Committee is authorised by the Board to investigate any activity within these terms of reference. It is authorised to seek any information it requires from any employee of the Company and its subsidiaries (together, the "**Group**") and all employees of the Group are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of such advisers with relevant experience and expertise at any meetings of the Committee if it considers necessary.

#### **5. Duties**

The duties of the Committee shall include, but not limited to the following:-

- (a) to consider the appointment of the Auditors, their audit fee, and any questions of resignation or dismissal of the Auditors;
- (b) to discuss with the Auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (c) to review the interim and annual financial statements before submission to the Board, focusing particularly on:-
  - (i) any changes in accounting policies and practices of the Group;
  - (ii) major judgmental areas;
  - (iii) significant adjustments resulting from the audit;
  - (iv) the going concern assumptions and any qualifications;
  - (v) compliance with accounting standards;
  - (vi) ensure the completeness, accuracy and fairness of the financial statements; and
  - (vii) compliance with the Listing Rules and relevant legal requirements;
- (d) to discuss problems and reservations arising from the interim review and year-end audits, and any matters the Auditors may wish to discuss (in the absence of management where necessary);
- (e) to review the Auditors' management letter and management's response;
- (f) to act as the key representative for overseeing the Company's relations with the Auditors;

- (g) to review the internal audit programme, ensure coordination between head of internal audit department and the Auditors, and ensure that the internal audit department is adequately resourced and has appropriate standing within the Company and review the effectiveness of the internal audit function;
- (h) to consider the major findings of internal investigations and management's response to these findings;
- (i) to review financial control and internal control systems;
- (j) to discuss with the management about the adequacy of resources, qualifications and experience of staff of the Company' accounting and financial reporting functions, training programmes and budgets;
- (k) to review arrangements by which employees, in confidence can raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee is to ensure proper arrangements are in place for the fair and independent investigation of such concerns and appropriate follow-up action;
- (l) to discuss the risk management and internal control systems with management to ensure that the management has performed its duty and provide assurance to the Board on the effectiveness of the systems;
- (m) to review the Company's statement on risk management and internal control systems (where one is included in the annual report) prior to endorsement by the Board; and
- (n) to consider any other areas, as instructed by the Board.

## **6. Reporting Procedures**

The secretary of the Committee shall circulate the relevant minutes of meetings of the Committee to all members of the Board.