JAKOTA CAPITAL (HOLDING) GROUP
嘉高達資本(控股)集團

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01468)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

CONSTITUTION

1. The board (the "**Board**") of directors of the Company (the "**Directors**") has resolved on 1 August 2012 to establish a committee known as the Audit Committee (the "**Committee**").

OBJECTIVE

2. The Committee is to assist the Board in establishing and maintaining formal and transparent arrangements to consider how to apply financial reporting, risk management and internal control principles and maintain an appropriate relationship with the Company's auditors.

MEMBERSHIP

3. The Committee shall consist of not less than three members, all of whom must be non-executive Directors and a majority of whom must be independent non-executive Directors. At least one member of the Committee must be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (the "**Listing Rules**"). The Committee shall be chaired by an independent non-executive Director. All members and the chairperson of the Committee shall be appointed and removed by the Board. The Company and its subsidiaries are referred to in these terms of reference as the "Group".

   (a) A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of its Committee for a period of two years from the date of the person ceasing to be a partner of the firm or to have any financial interest in the firm, whichever is later.

(b) The appointment, reappointment and continued service of any member as an independent non-executive Director shall be subject to the applicable requirements of the Listing Rules and the Corporate Governance Code concerning independence and length of service, including any applicable transitional arrangements, shareholder approvals and disclosure requirements, as amended from time to time.

4. No member of the Committee shall appoint any alternate to attend the meeting or perform his duties thereat.

5. The company secretary of the Company or his representative (in his absence) shall be the secretary of the Committee (the "**Secretary**"). The Committee may from time to time appoint any other person with appropriate qualification and experience as the Secretary.

PROCEEDINGS AND QUORUM

6. Unless otherwise specified herein, the provisions contained in the Company's Articles of Association (as amended from time to time) for regulating meetings and proceedings of Directors shall apply to the meetings and proceedings of the Committee.

7. Members of the Committee may attend meetings of the Committee either in person or through electronic means of communication, provided that all participants can hear and communicate with one another simultaneously, subject to the Company's Articles of Association and applicable law.

8. The quorum necessary for the transaction of the business of the Committee shall be two members of the Committee.

ATTENDANCE OF MEETINGS BY NON-MEMBERS

9. The Committee may invite the Finance Director, other Directors, the company secretary (or his or her delegate), the head of internal audit, relevant members of senior management, representatives of the external auditor and other persons to attend all or part of a meeting. Invitees shall have no right to vote, shall not count towards the quorum and may be required to withdraw. At least once a year, the Committee shall meet with the external auditor without management, including executive Directors, present. The Committee may also meet separately with the head of internal audit without management present whenever it considers appropriate.

FREQUENCY OF MEETINGS

10. The Committee shall hold at least two regular meetings in a year to review and discuss the interim and annual financial statements of the Company. Additional meetings of the Committee may be held as and when required. The Committee shall meet with the external auditors at least twice a year. The members of the Committee or the external auditors may at any time request a meeting if they consider necessary.

NOTICE OF MEETINGS

11. A meeting of the Committee may be convened by any of its members or by the Secretary. Unless otherwise agreed by all members of the Committee, notice of at least 7 days shall be given for a regular meeting of the Committee. For all other meetings of the Committee, reasonable notice shall be given.

12. Notice of the Committee meeting shall state the date, time and place of the meeting. Agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).

RESOLUTIONS

13. Resolutions of the Committee at any of its meetings shall be passed by a majority of votes of its members present. Members shall disclose any actual or potential conflict of interest in a matter to be considered by the Committee. Participation in discussions, voting and inclusion in the quorum shall be subject to the applicable requirements of the Company's Articles of Association, applicable law and the Listing Rules.

14. In the event of an equality of votes, the chairperson of the meeting shall have a second or casting vote, provided that he or she is entitled to vote on the matter and that the exercise of such vote is permitted by the Company's Articles of Association, applicable law and the Listing Rules.

15. Subject to the Company's Articles of Association, applicable law and the Listing Rules, resolutions in writing signed by all members of the Committee shall be as valid and effectual as if they had been passed at a meeting of the Committee duly convened and held. Written resolutions shall not be used where a meeting is required under those provisions.

AUTHORITY

16. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee shall ensure that the internal and external auditors have unrestricted access to the records, personnel and explanations relevant to their work and shall review any material failure by management to co-operate.

17. The Committee is authorised by the Board to obtain outside legal or other independent professional advice at the Company's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

18. Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the Committee explaining its recommendations and also the reason(s) why the Board has taken a different view.

19. All members of the Committee shall have access to the advice and services of the company secretary, and separate and independent access to the Company's senior management for obtaining necessary information. Management shall provide the Committee with adequate, complete and reliable information in a timely manner to enable it to make informed decisions and discharge its responsibilities. Members shall make further enquiries where necessary and may require additional information from management. Management shall respond promptly and fully to such enquiries.

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

DUTIES

21. The responsibilities and authorities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 of the Listing Rules (as amended from time to time). Without prejudice to any requirement under the CG Code, the duties of the Committee include the following:

Relationship with the Company's auditors

(a) 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 to consider any questions of its resignation or dismissal;

(b) 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;

(c) 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;

Review of financial information of the Company

(d) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, together with results announcements and other formal announcements relating to the Group's financial performance, and to review significant financial reporting judgements contained in them. In reviewing these documents before submission to the Board, the Committee should focus particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental areas;

(iii) significant adjustments resulting from audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(e) In regard to (d) above:

(i) members of the Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and

(ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts and 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

(f) to review the Group's financial controls and, unless expressly addressed by a separate Board risk committee or by the Board itself, to review the effectiveness of the Company's and its subsidiaries' risk management and internal control systems at least annually. The Committee shall ensure that the review is adequately resourced and covers all material controls, including financial, operational and compliance controls. The review shall, in particular, consider the following matters:

(i) the changes, since the last annual review, in the nature and extent of significant risks (including Environmental, Social and Governance ("**ESG**") risks), and the Company's ability to respond to changes in its business and the external environment;

(ii) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;

(iii) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) for the purpose of assessing the adequacy and the effectiveness of the Company's risk management and internal control systems;

(iv) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses;

(v) the effectiveness of the Company's processes for financial reporting and Listing Rule compliance; and

(vi) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting;

(g) to obtain and review management's confirmation to the Board on the effectiveness of the Company's and its subsidiaries' risk management and internal control systems, consider the supporting information and any qualifications or exceptions, and report the Committee's findings and recommendations to the Board;

(h) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective risk management and internal control 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;

(i) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative, including significant suspected fraud, irregularities or non-compliance with applicable laws and regulations, and management's response to these findings;

(j) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and to review and monitor its effectiveness. The Committee shall review and approve the internal audit plan, consider any material restrictions on its scope, and review significant findings;

(k) to review the Group's financial and accounting policies and practices;

(l) 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 control and management's response;

(m) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; to monitor management's implementation of recommendations arising from internal and external audits and other reviews of risk management and internal controls, including agreed responsibilities and completion dates, and to escalate significant overdue or unresolved matters to the Board;

(n) to review arrangements employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(o) to act as the key representative body for overseeing the Company's relations with the external auditor;

(p) to report to the Board on the matters set out in these terms of reference, including the Committee's decisions and recommendations, unless legal or regulatory restrictions prevent it from doing so;

(q) to review the disclosures concerning the Committee's work, risk management and internal control systems, and audit and non-audit services in the Corporate Governance Report, and provide the Board with the information and recommendations necessary to support those disclosures, including information on significant control failings or weaknesses that remain unresolved; and

(r) to consider other topics, as defined by the Board.

22. The Company should have an internal audit function. If the Company does not have an internal audit function, the Committee shall assess the need for one annually, make recommendations to the Board and review the proposed disclosure of the reasons for its absence in the Corporate Governance Report.

23. The Company should establish a whistleblowing policy and system for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Committee (or any designated committee comprising a majority of independent non-executive Directors) about possible improprieties in any matter related to the Group. Where the Committee is the designated oversight committee, it shall review the adequacy and effectiveness of the policy and system, oversee arrangements for fair and independent investigation and appropriate follow-up, and monitor the implementation of remedial action. The Committee shall review arrangements for communicating the policy and reporting channels to employees and other relevant persons.

24. The Company should establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations. The Committee shall review the adequacy and effectiveness of those policies and systems and make recommendations to the Board on any improvements required.

25. The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the website of The Stock Exchange of Hong Kong Limited and the Company's website.

REPORTING PROCEDURES

26. The Secretary shall circulate draft minutes of meetings to all members of the Committee for comment and final minutes for their records within a reasonable time after the meeting. Copies of written resolutions passed by the Committee shall be circulated promptly to all members for their records.

27. The Secretary shall maintain as part of the Company's corporate records all approved minutes of Committee meetings and reports. Full minutes shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by members or dissenting views expressed.

28. Any written resolution shall be tabled and noted at the next meetings of the Committee and the Board.

29. The minutes of the Committee shall be kept by the Secretary and such minutes shall be open for inspection at any reasonable time on reasonable notice by any Director.

ANNUAL GENERAL MEETINGS OF THE COMPANY

30. The chairperson or in his/her absence, another member of the Committee or failing this, his/her duly appointed delegate, shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders of the Company on the Committee's activities and responsibilities.

POWERS OF THE BOARD

31. The Board may, subject to the Company's Articles of Association, applicable law and the Listing Rules, amend, supplement or revoke these terms of reference and the authority delegated to the Committee. Any such change shall not invalidate any prior act or resolution of the Committee which was valid when undertaken or passed. The Committee's decisions and recommendations shall remain recorded in its minutes, and any disagreement with the Board shall be dealt with in accordance with the applicable disclosure requirements, including paragraph 18 above.

Note: If there is any inconsistency between the English and Chinese versions of these Terms of Reference, the English version shall prevail.

Adopted on 1 August 2012

Amended on 13 March 2015

Amended on 26 November 2015
(effective from 1 April 2016)

Amended on 27 November 2026