



**GAMEONE HOLDINGS LIMITED**  
**智傲控股有限公司**

**AUDIT COMMITTEE (“Committee”)**  
**TERMS OF REFERENCE**

1. Membership

- 1.1 The Committee shall be appointed by the Board of Directors (“**Board**”) and shall comprise non-executive directors only.
- 1.2 The Committee must comprise a minimum of three members, at least one of whom is an independent non-executive director (“**INED**”) with appropriate professional qualifications or accounting or related financial management expertise as required under rule 5.05(2) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”).
- 1.3 The majority of the Committee members must be INEDs.
- 1.4 The Chairman of the Committee shall be appointed by the Board and must be an INED.
- 1.5 A former partner of the Company’s existing audit firm should be prohibited from acting as a member of the Committee for a period of two years from the date of his/her ceasing:
  - (a) to be a partner of the existing audit firm; or
  - (b) to have any financial interest in the existing audit firm, whichever is later.

2. Meetings

- 2.1 The Committee should meet at least twice a year. Additional meetings could be held at the demand of external auditors or Committee Chairman, if necessary.
- 2.2 A quorum shall be two members and at least one of them shall be an INED.
- 2.3 Resolutions of the Committee shall be passed by a majority of votes.

### 3. Attendance

3.1 The Committee may request members of management, the internal auditor and/or external auditors and/or other Board members to be present at meetings of the Committee.

### 4. Minutes

4.1 Full minutes of Committee meetings should be kept by a duly appointed secretary of the meeting. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.

### 5. Authorities

5.1 The Committee is authorised by the Board to inspect all accounts, books and records of the Company. The Committee is authorised by the Board to obtain outside legal or other independent professional advices, at the Company's expense in order to discharge its duties.

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

5.3 The Committee should be provided with sufficient resources to perform its duties.

### 6. Responsibilities

6.1 The responsibility of the Committee is to assist the Board in fulfilling its audit and control-related duties through the review of the Company's financial reporting and internal control systems. The review shall cover all material controls, including financial, operational and compliance controls and risk management functions.

6.2 The Committee shall report to the Board on their decisions or recommendations, unless there are legal restrictions on their ability to do so.

6.3 The Committee also has the following responsibilities:

#### Relationship with the Company's auditors

(a) to be primarily responsible for making recommendation 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;

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

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

- (e) 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:
  - (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 GEM Listing Rules and legal requirements in relation to financial reporting;
- (f) Regarding (e) 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 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 and internal control procedures

- (g) to review the Company's financial controls, internal controls and risk management systems;
- (h) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. 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 internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (j) 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;
- (k) to review the Group's (including the Company and its subsidiaries) 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;
- (n) to review arrangements which employees and other stakeholders who deal with the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, 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;
- (o) to report to the Board on the matters in these terms of reference; and
- (p) to consider other topics, as defined by the Board.

## Corporate Governance Functions

- (q) to develop and review an issuer's policies and practices on corporate governance and make recommendations to the board;
- (r) to review and monitor the training and continuous professional development of directors and senior management;

- (s) to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements;
- (t) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (u) to review the issuer's compliance with the code and disclosure in the Corporate Governance Report.

## 7. Publication of the Terms of Reference

- 7.1 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 respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

Approved on December 2015

Amended on December 2018