

Solargiga Energy Holdings Limited

(Stock Code: 757)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (Amended and restated with effect from 31 December 2015)

1. Membership

1.1. The Audit Committee shall be appointed by the Board and should comprise a minimum of three members (the “**Members**”).

1.2. The Members shall be appointed from amongst the non-executive Directors. The majority of Members shall be independent non-executive Directors, at least one of whom is an independent non-executive Director with appropriate professional qualifications or 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**”).

1.3. The Board shall appoint the chairman of the Audit Committee (the “**Chairman**”). The Chairman must be an independent non-executive Director.

1.4. A former partner of the Company’s existing auditing firm should be prohibited from acting as a Member for a period of one year from the date of his ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is later.

1.5. The term of each appointment to t

3. Meetings

3.1. Meetings shall be held not less than two times a year. The external auditors may make the request to the Chairman to convene a meeting of the Audit Committee.

3.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each Member, and to any other person required to attend in relation to all regular meetings of the Audit Committee, at least 14 days before the date of the meeting; and in relation to continued meetings held within 14 days, no prior notice is required.

3.3. The quorum of Audit Committee meetings shall be two Members, one of them should be an independent non-executive Director.

3.4. The Members may attend meetings either in person, by telephone or through other electronic means of communication (which are available to a13 608.(e)9(ss)-4(o)11(t)-4(he)9(r)1.5-4(ab)65lectro 659.38 .au E MC /PMCI

6. Duties and responsibilities

The duties of the Audit Committee is to serve as a focal point for communication between other directors, the external auditors, and the management as their duties relate to financial and other reporting, risk management and internal control systems and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the company's risk management and internal control systems and as to the efficiency of the audits.

The duties and responsibilities of the Audit Committee shall be:

6.6. Regarding paragraph 6.5 above:

(a) Members shall liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and

(b) the Audit Committee should consider any significant or unusual items that are, or may need to be,

- 6.12. to review the Group's financial and accounting policies and practices;
- 6.13. 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;
- 6.14. to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- 6.15. to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management and internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- 6.16. to act as the key representative body for overseeing the Company's relations with the external

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

the responsibility of the Directors to determine which individual or individuals constitute senior management. Senior management may include any of directors of subsidiaries, heads of divisions, departments or other operating units within the Company and its subsidiaries as, in the opinion of the Directors, is appropriate.

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