
GOLIK HOLDINGS LIMITED
TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

The board of directors (the “Board”) of Golik Holdings Limited (the “Company”) resolves pursuant to the authority conferred by the bye-laws of the Company at a meeting held on 5th January, 1999 to establish a committee of the Board to be known as the Audit Committee (the “Committee”).

The terms of reference set out herein since adoption are amended from time to time to comply with the requirements under the Listing Rules and will come into effective from 30th December, 2008.

1. Membership

The members of the Committee (the “Member(s)”) shall be appointed by the Board from amongst the non-executive directors of the Company and a majority of Members shall be independent non-executive directors. The Committee shall comprise a minimum of three Members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. A quorum of a meeting of the Committee (the “Meeting(s)”) shall be two. The Members present shall elect a chairman to preside the Meeting and the chairman must be an independent non-executive director.

2. Attendance at Meetings

- 2.1 The Finance director and a representative of the external auditor shall normally attend the Meetings, other Board members and any staff with specific responsibility for any area under review by the Committee shall also have the right of attendance. The Committee shall meet with the external auditor without executive directors present at least once a year.
- 2.2 The company secretary or the assistant company secretary shall be the secretary of the Committee. Where the company secretary is also an executive director of the Company, he can only attend Meetings in the capacity as a company secretary, and not as an executive director.

3. Frequency of Meetings

Meetings shall be held not less than twice a year. The Committee shall normally meet prior to the finalization of both interim and annual accounts to discuss the related issues arising therein. The external auditors may request a meeting with Members if they consider necessary.

4. Authority

- 4.1 The Committee is authorized by the Board to investigate any activity within its terms of reference as set out herein and any other issues specifically delegated by the Board or may arise as a natural extension of the review of the Company's affairs in pursuing the Committee's duties. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 4.2 The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5. Duties

The duties of the Committee shall be:

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 resignation or dismissal of that auditor;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and to 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 the engagement of an external auditor (including any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) to supply non-audit services, and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;

Review of the Company's financial information

- (d) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, interim report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained therein, and to review the Company's annual report and accounts, interim report and, if prepared for publication, quarterly reports, before submission to the Board focusing 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 other legal requirements in relation to financial reporting;
- (e) in regard to (d) above:-
 - (i) to liaise with the Board and senior management and to meet, at least once a year, with the external auditor; and

- (ii) to consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and must 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

- (f) to review the financial controls, internal control and risk management systems;
- (g) to discuss with the management the system of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- (h) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;
- (i) 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 the effectiveness of the internal audit function;
- (j) to review the group's financial and accounting policies and practices;
- (k) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board on the matters set out in this section; and
- (n) to consider other topics, as defined by the Board.

6. Reporting procedures

Draft and final versions of minutes of the Meetings shall be circulated by the secretary of the Committee to all Members for comment and record within a reasonable time after the Meetings.