

**Road King Infrastructure Limited (the "Company")**  
**Terms of Reference of the Audit Committee (the "Committee")**

**Constitution**

1. The Board of Directors (the "Board") has resolved to establish a Committee of the Board to be known as the Audit Committee.

**Membership**

2. The Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members. At least one shall have the appropriate qualifications or experience in financial reporting. The majority of the non-executive directors appointed to the Committee shall be independent. A quorum shall be two members.
3. The Chairman of the Committee shall be appointed by the Board and should be an independent non-executive director.

**Attendance at meetings**

4. The Qualified Accountant of the Company, internal auditor (if any), senior management and a representative of the external auditors shall normally attend meetings. Other Board members shall also normally have the right of attendance but can be asked by the Committee not to be present at any meeting or during the discussion of any items on the agenda of any meeting. At least once a year the Committee shall meet with the external auditors without executive Board members present.
5. The Company Secretary or a person duly appointed by the Committee shall act as the secretary of the Committee.

**Frequency of meetings**

6. Meetings shall be held not less than three times a year. Attendance may be in person or by telephone or other means of telecommunication. The external auditors or any members of the Committee may request a meeting if they consider necessary.

**Authority**

7. The Committee is authorized by the Board to investigate any activity within its terms of reference. 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.
8. 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 necessary.

## Duties

9. The duties of the Committee shall be:

- (a) to make recommendation to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of that auditors;
- (b) to review and monitor the external auditors' independence and objectivity and the effectiveness of the auditors process in accordance with applicable standard;
- (c) to discuss with the external auditors before the audit commences, the nature and scope of the audit and reporting obligations, and ensure co-ordination where more than one audit firm is involved;
- (d) to develop and implement policy on the engagement of the external auditors to provide non-audit services;
- (e) to review the Company's financial and accounting policies and practices;
- (f) to review the Company's 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;
- (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 be involved in the recruitment of the internal auditors(s), 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 monitor integrity of the interim and annual financial statements and interim and annual report and accounts, and to review significant financial reporting judgements contained in them before submission to the Board, focusing particularly on:
  - (i) any changes in accounting policies and practices;
  - (ii) major judgmental areas;
  - (iii) significant adjustment resulting from the audit;
  - (iv) the going concern assumption and any qualifications;

- (v) compliance with accounting standards; and
- (vi) compliance with the Exchange Listing Rules and other legal requirements in relation to financial reportings;
- (k) to review the external auditors' management letter, any material queries raised by the auditors to management in respect of the accounting records, financial accounts or systems of control and management's response and to ensure that the Board will provide a timely response to the issued raised;
- (l) 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 Qualified Accountant of the Company or auditors;
- (m) to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of management where necessary);
- (n) to report to the Board on the matters raised in the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules; and
- (o) to consider other topics within the duties mentioned above as requested from time to time by the Board.

#### **Reporting procedures**

10. Full minutes of the meetings of the Committee shall be kept by the secretary of the Committee and circulated to all members of the Board.