

HUSCOKE RESOURCES HOLDINGS LIMITED
(the “Company”)

AUDIT COMMITTEE
TERMS OF REFERENCE

Membership

1. The Audit Committee shall be appointed by the Board and consist of not less than three members, the majority of which shall be independent non-executive directors.
2. The Board shall nominate one of the members as the chairman of the Committee.
3. The Company Secretary or his nominee shall act as the Committee’s Secretary.

Frequency of meetings

4. The quorum for a meeting shall be two members of the Committee. Other Board members, apart from the Committee members, have the right to attend any Committee meetings, though they shall not be counted in the quorum..
5. The Committee shall meet at least twice a year. Additional meetings shall be held as the work of the Committee demands and the external auditors may request a meeting if they consider that one is necessary or desirable.
6. The Audit Committee is authorized by the Board to invite advisors to the meeting, including but not limited to external advisors or consultants to advise its members.
7. The Audit Committee is authorized to investigate any activity within its terms of reference and all employees are directed to cooperate with any request made by the Audit Committee.

Authority

8. The Audit Committee shall report to the board any suspected frauds and irregularities, failures of internal control or suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to

warrant the attention of the board.

9. The Audit Committee is to be provided with sufficient resources to discharge its duties.

Duties

10. The Committee shall:

- (a) Make 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 any questions of resignation or dismissal of that auditor;
- (b) Review with the group's management and external auditor, the adequacy of the group's policies and procedures regarding internal controls (including financial, operational and compliance controls), risk management system and any statement by the directors to be included in the annual accounts prior to endorsement by the board;
- (c) Before audit commencement, review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- (d) Review the annual and interim financial reports prior to approval by the board, with particular focus on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting and auditing standards; and
 - (vi) compliance with the listing requirements of The Stock Exchange of Hong Kong Limited and legal requirement;
- (e) with regard to (d) above:-
 - (i) members of the Audit Committee must liaise with the board and senior management, and the Audit Committee must meet, at least twice a year, with the external auditor; and
 - (ii) the Audit Committee should 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 auditor;

- (f) Review the draft representation letter prior to approval by the board;
- (g) Review the Group's financial and accounting policies and practices;
- (h) Review the external auditor's management letter, any material queries raised by the auditor to management in respect of accounting records, financial accounts or systems of control and management's response;
- (i) Ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (j) Report to the Board on the matters set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules;
- (k) Consider other topics, as defined by the Board;
- (l) Review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action; and
- (m) To act as the key representative body for overseeing the Company's relation with the external auditor.

Report procedures

11 the secretary shall keep full minutes of meetings of the Committee and draft and final versions of minutes of the Committee meetings should be sent to all members of the Committee for their comments and records respectively, in both cases within a reasonable time after the meeting.