



COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Hong Kong Stock Code: 2342)

(Singapore Stock Code: STC)

(the “Company”)

Audit Committee Terms of Reference

Constitution

1. The Company established a audit committee (the “**Committee**”) on 20 June 2003 and adopted the terms of reference as set out herein in compliance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

Membership

2. The members of the Committee shall be appointed by the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company.
3. The Committee must comprise non-executive Directors only. The Committee must also 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 as required under Rule 3.10(2) of the Hong Kong Listing Rules. The majority of the Committee members must be independent non-executive Directors. The Committee must be chaired by an independent non-executive Director appointed by the Board.
4. A former partner of the Company’s existing auditing firm should be prohibited from acting as a member of the Committee for a period of two years from the date of the person ceasing (i) to be a partner of the firm or (ii) to have any financial interest in the firm, whichever is later.
5. The quorum of a Committee meeting shall be two members.

Secretary

6. The Committee may from time to time appoint any person with appropriate qualification and experience as the secretary of the Committee.

Attendance at meetings

7. The group chief financial officer, head of internal audit department, and a representative of the external auditors shall normally attend meetings. Other members of the Board and the management may also attend meetings of the Committee.

Meetings

8. The Committee shall meet at least twice a year. A meeting shall be held in person, by telephone or other electronic means provided that all persons participating in the meeting are capable of hearing each other. The external auditors may request a meeting if they consider that one is necessary. Additional meetings shall also be held as the work of the Committee demands.
9. Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members of the Committee present.
10. A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
11. Minutes shall be prepared and kept by the secretary of the Committee.

Authority

12. The Committee shall report to the Board on a regular basis as the Board may direct.
13. The Committee shall be provided with sufficient resources to perform its duties.
14. The Committee is authorised 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.
15. The Committee shall report to the Board any suspected frauds and irregularities, failures of internal control or suspected infringement of relevant applicable laws, rules and regulations which come to its attention and are of sufficient importance to draw the attention of the Board.
16. Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the auditors, the Committee shall arrange for the Corporate Governance Report in the annual report to include an explanation of the Committee's view and the reasons why the Board has taken a different view.

Duties

17. The duties of the Committee shall be:

Relationship with the Company's auditors

- (a) to be primarily responsible for making 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 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 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;

Review of the Company's financial information

- (d) 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 judgements 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 Hong Kong Listing Rules and legal requirements in relation to financial reporting;

(e) Regarding (d) 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, risk management and internal control systems

- (f) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to ensure the effectiveness of the Company's and its subsidiaries' risk management and internal control systems is reviewed at least annually (the scope of review should cover all material controls, including financial, operational and compliance controls);
- (g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include:
 - (i) the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment;
 - (ii) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;
 - (iii) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) for the purposes of assessing the adequacy and the effectiveness of the Company's risk management and internal control systems;
 - (iv) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses;
 - (v) the effectiveness of the Company's processes for financial reporting and the compliance with the Hong Kong Listing Rules; and

- (vi) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.
- (h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (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 its effectiveness;
- (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 about 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 review arrangements employees of 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;
- (n) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (o) to report to the Board on the matters in these terms of reference;
- (p) to consider other topics, as defined by the Board;
- (q) do any such things or acts to enable the Committee to discharge its duties and functions conferred on it by the Board; and
- (r) conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the articles of association of the Company or imposed by relevant applicable legislation and regulations.

This terms of reference is in English and Chinese. In case of any inconsistency, the English version shall prevail.



COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(於開曼群島註冊成立之有限公司)

(香港股份代號：2342)

(新加坡股份代號：STC)

(「本公司」)

審核委員會

職權範圍

組成

1. 本公司於二零零三年六月二十日成立審核委員會（「**委員會**」），並根據香港聯合交易所有限公司證券上市規則（「**香港上市規則**」）的要求採納了本文所列的職權範圍。

成員

2. 委員會的成員須由本公司的董事（「**董事**」）會（「**董事會**」）委任。
3. 委員會成員須全部是非執行董事，委員會亦最少要有三名成員，其中最少一名成員具備根據香港上市規則第3.10(2)條所規定的適當專業資格，或具備適當的會計或相關的財務管理專長的獨立非執行董事。委員會的成員必須以獨立非執行董事佔大多數，出任主席者亦必須是獨立非執行董事及由董事會委任。
4. 現時負責審計本公司賬目的核數公司的前任合夥人在(i)該名人士終止成為該核數公司合夥人的日期；或(ii)該名人士不再享有該核數公司任何財務利益的日期（以日期較後者為準）起計兩年內，不得擔任本公司委員會的成員。
5. 委員會會議法定人數為兩位成員。

秘書

6. 委員會可不時委任具備適當資歷及經驗之任何人士擔任委員會秘書。

出席會議

7. 集團首席財務官、內部審計部門主管及外聘核數師代表一般須出席會議。其他董事會成員及管理層亦有權出席。

會議

8. 委員會須每年至少舉行兩次會議。會議可親身出席、通過電話或其他電子媒體進行，只要參與會議的各方可互相聽到。外聘核數師如認為有需要，可要求召開會議。若因工作需要，委員會亦應召開額外會議。
9. 於任何會議提呈之委員會決議案，須經由出席委員會會議之成員以大多數票通過。
10. 經由委員會全體成員簽署之書面決議案，其效力及作用與決議案於正式召開及舉行之委員會會議上通過無異。
11. 會議記錄須由委員會秘書編製及備存。

權力

12. 按照董事會指示，委員會須定時向董事會匯報。
13. 委員會應獲提供足夠資源以履行其職責。
14. 委員會獲董事會授權可聽取外界法律或其他獨立專業意見，如有需要更可邀請具備有關經驗及專業知識的外界人士出席。
15. 就任何懷疑不誠實行為及不合規情況、內部監控缺失或涉嫌違反適用有關法律、規則及規例情況，委員會注意到及其情況具足夠重要性須董事會關注時，須向董事會匯報。
16. 倘董事會不認同委員會對外聘核數師的甄選、委任、辭任或罷免的意見，委員會將安排於年報內的企業管治報告中闡釋委員會的意見，以及董事會持不同意見的理由。

職責

17. 委員會的職責範圍包括下列工作：

與本公司核數師的關係

- (a) 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；
- (b) 按適用的標準檢討及監察外聘核數師是否獨立客觀及核數程序是否有效，委員會應於核數工作開始前先與核數師討論核數性質及範疇及有關申報責任；
- (c) 就外聘核數師提供非核數服務制定政策，並予以執行。就此規定而言，「外聘核數師」包括與負責核數的公司處於同一控制權、所有權或管理權之下的任何機構，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該機構屬於該負責核數的公司的本土或國際業務的一部分的任何機構。委員會應就任何須採取行動或改善的事項的董事會報告並提出建議；

審閱本公司的財務資料

- (d) 監察本公司的財務報表以及年度報告及賬目、半年度報告及（若擬刊發）季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見。委員會在向董事會提交有關報表及報告前，應特別針對下列事項加以審閱:-
 - (i) 會計政策及實務的任何更改；
 - (ii) 涉及重要判斷的地方；
 - (iii) 因核數而出現的重大調整；
 - (iv) 企業持續經營的假設及任何保留意見；
 - (v) 是否遵守會計準則；及
 - (vi) 是否遵守有關財務申報的香港上市規則及法律規定；

(e) 就上述(d)項而言:-

- (i) 委員會成員應與董事會及高級管理人員聯絡。委員會須至少每年與本公司的核數師開會兩次；及
- (ii) 委員會應考慮於該等報告及賬目中所反映或需反映的任何重大或不尋常事項，並應適當考慮任何由本公司屬下會計及財務匯報職員、監察主任或核數師提出的事項；

監管本公司財務申報制度、風險管理及內部監控系統

- (f) 檢討本公司的財務監控，以及（除非有另設的董事會轄下風險委員會又或董事會本身會明確處理）確保本公司及其附屬公司至少每年檢討風險管理及內部監控系統之成效（其檢討範圍應涵蓋所有重大監控措施，包括財務、營運及合規監控措施）；
- (g) 與管理層討論風險管理及內部監控系統、確管理層已履行職責建立有效的系統。討論內容應包括：
 - (i) 自上次年度檢討以來，重大風險（包括環境、社會及管治風險）性質及嚴重程度之轉變，以及本公司應對其業務轉變及外在環境轉變之能力；
 - (ii) 管理層持續監察風險（包括環境、社會及管治風險）及內部監控系統之範疇及質素，以及在適用的情況下，其內部審核職能及其他提供保證者（如有）之工作；
 - (iii) 向董事會（或董事會委員會）傳達監察結果之詳盡程度及次數，以供評估本公司風險管理及內部監控系統是否充足及有效；
 - (iv) 檢討風險管理及內部監控系統過程中發現之重大監控失誤或弱項，以及因此導致未能預見之後果或緊急情況之嚴重程度，而該等後果或情況對本公司之財務表現或情況已產生、可能已產生或將來可能會產生重大影響，以及針對該等監控失誤或弱項所採取之任何補救措施；
 - (v) 本公司財務申報及遵守香港上市規則規定之程序是否有效；及

- (vi) 用於設計、執行及監察風險管理及內部監控系統之內部及外部資源（包括員工資歷及經驗、培訓課程、本公司在會計、內部審核及財務申報職能方面之預算，以及與本公司環境、社會及管治績效和匯報相關的資源）是否足夠；
- (h) 主動或應董事會的委派、就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；
- (i) 如公司設有內部審核功能，須確保內部和外聘核數師的工作得到協調；也須確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位；以及檢討及監察其成效；
- (j) 檢討本集團的財務及會計政策及實務；
- (k) 檢查外聘核數師給予管理層的《審核情況說明函件》、核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；
- (l) 確保董事會及時回應於外聘核數師給予管理層的《審核情況說明函件》中提出的事宜；
- (m) 檢討本公司設定的以下安排：本公司僱員可暗中就財務匯務、內部監控或其他方面可能發生的不正當行為提出關注。委員會應確保有適當安排，讓本公司對此等事宜作出公平獨立的調查及採取適當行動；
- (n) 擔任本公司與外聘核數師之間的主要代表，負責監察二者之間的關係；
- (o) 就委員會職權範圍的事宜向董事會匯報；
- (p) 研究其他由董事會界定的課題；
- (q) 進行使委員會履行董事會賦予其職責及功能的任何事情；及
- (r) 符合董事會不時指定或本公司的組織章程細則不時所載又或適用有關法例及規例不時所規定的任何要求、指示及規則。

倘若本職權範圍的英文和中文版本不一致，應以英文版本為準。