GLOBAL DIGITAL CREATIONS HOLDINGS LIMITED

環球數碼創意控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8271)

(the "Company")

AUDIT COMMITTEE-TERMS OF REFERENCE

1. Constitution

1.1 The audit committee (the "**Audit Committee**") is a committee of the board (the "**Board**") of directors (the "**Director(s)**") of the Company.

2. Membership

2.1 The Audit Committee members (the "**Member(s)**") shall be appointed by the Board and shall consist of not less than three members.

2.2 Membership shall be confined to non-executive Directors, the majority of which must be independent non-executive Directors ("**INED(s)**") and at least one INED with appropriate professional qualifications or accounting or related financial management expertise.

2.3 The chairman of the Audit Committee shall be appointed by the Board and must be an INED.

2.4 In the event that the Audit Committee comprises a non-executive Director who is a former partner of the Company's existing auditing firm, such non-executive Director should be prohibited from acting as a Member of the Audit Committee for a period of two years from the later of (a) the date of his/her ceasing to be a partner of the firm; or (b) the date of his/her ceasing to have any financial interest in the firm.

3. Secretary of the Audit Committee

3.1 The company secretary shall be the secretary of the Audit Committee.

4. Meetings

4.1 The Committee shall meet at least twice a year. The Chairman of the Committee or any Member, or the external auditor of the Company may request that a meeting be held if he/she/it considers it necessary.

4.2 Notice of any meetings has to be given at least seven (7) days prior to any such meeting being held, unless all Members unanimously waive such notice. Irrespective of the length of notice given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member. Notice of any adjourned meetings is not required if adjournment is for less than fourteen (14) days.

4.3 The quorum of the Committee shall be any three Members.

4.4 The Chief Financial Officer (if any), the Head of Internal Audit (if any), the Head of Accounts/Finance Department and representatives of the external auditor shall normally attend meetings. Other Directors shall also have the right of attendance.

4.5 At least once a year, representatives of the Company's external auditor will meet the Audit Committee without any executive Directors being present, except by invitation of the Audit Committee, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditor may wish to raise.

4.6 Meetings can be held in person, by telephone or by video conference. Members may participate in a meeting by means of a conference telephone or similar communications equipment or through electronic means at which all persons participating in the meeting are capable of hearing each other.

4.7 A resolution in writing signed by all the Members shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held.

5. Authority

5.1 The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

5.2 The Audit 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.

5.3 Where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor, the Company should include in the Corporate Governance Report contained in the Company's annual report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.

5.4 The Audit Committee should be provided with sufficient resources to perform its duties.

6. Duties

6.1 The duties of the Audit Committee shall be:

Relationship with the Company's external auditor

(a) to be primarily responsible for 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 its resignation or dismissal.

(b) to review and monitor the external auditor's independence and objectivity in accordance with applicable standards, and 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 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, and to 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 the annual report and accounts and half-year report, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly 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 standards; and
(vi) compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and legal

requirements in relations to financial reporting;

(e) Regarding (d) above:-

(i) the Audit Committee should liaise with the Board and senior management and 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 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 (if applicable)(or person occupying the same position) o) or auditors;

Oversight of the Company's financial reporting system, risk management and internal control systems

(f) to review the issuer's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems;

(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 the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function;

(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 finding;

(i) 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 issuer, 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;

Other

(m) to report to the Board on the matters set out in this terms of reference and the code provisions of the Corporate Governance Code under Appendix C1 of the GEM Listing Rules (as amended from time to time);

(n) to consider other topics, as defined by the Board;

(o) 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 is to ensure proper arrangements are in place for the fair and independent investigation of these matters and for appropriate follow-up action;

(p) to act as the key representative body for overseeing the Company's relations with the external auditor; and

(q) the chairman or another member of the Committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Committee's activities and responsibilities.

7. Reporting responsibilities

7.1 The secretary shall circulate the minutes of meetings of the Audit Committee to all Members.

7.2 The Audit Committee should report to the Board after each meeting.

Updated on: 20/08/2025