PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED ("Company")

AUDIT COMMITTEE

TERMS OF REFERENCE

Revised and Approved by the Board of Directors of the Company on 13 November 2025

Constitution

1. The Board of the Company ("Board") resolved on 9 July 2004 to reconstitute the previous Audit Committee and establish a committee of the Board to be known as the Audit Committee ("Committee").

Objective and Role

The responsibilities of the Committee shall include but not limited to assisting the Board in fulfilling its responsibilities, through review and supervision in ensuring:-

2. the objectivity and credibility of financial reporting, and that in presenting results to the shareholders, the directors have exercised the care, diligence and skills prescribed by law. The Committee will also evaluate the adequacy and review the effectiveness of the Company's disclosure controls and processes for financial reporting and applicable rules compliance with respect to such periodic reports;

3. the effectiveness of the risk management and internal control systems of the Company in accordance with relevant laws and regulations. Furthermore, the Committee shall review the design, implementation and monitoring of the Company's and its subsidiaries' risk management and internal control systems on an ongoing basis; ensure a review of the effectiveness of these systems has been conducted at least annually;

4. good corporate governance standards and practices within the Company; and

5. the Company's general compliance with regulatory obligations.

Membership

6. The members of the Committee shall be appointed by the Board and shall consist of independent non-executive directors of the Company only and at least three members. There shall be at least one member of the Committee with appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Exchange Listing Rules"). Members have to satisfy the "independence" requirements as required by the Exchange Listing Rules.

7. The Chairman of the Committee shall be appointed by the Board and must be an independent non-executive director of the Company.

8. 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 his or her ceasing (i) to be a partner of the firm or (ii) to have any financial interest in the firm, whichever is later.

Attendance at Meetings

9. The Chief Financial Officer, the Head of Group Internal Audit and representative(s) of the external auditor shall normally attend meetings. Other Board members shall also have the right of attendance. The Committee may invite any appropriate person to attend meetings of the Committee as it considers appropriate. However, the Committee shall meet with the external auditor at least twice a year and at least meeting with the external auditor once a year in the absence of management.

10. The Company Secretary of the Company or his or her nominee shall be the Secretary of the Committee.

Frequency of Meetings

11. Meetings shall be held at least twice a year and at such other times as the Committee determines is appropriate to carry out its responsibilities. The external auditor may request a meeting if they consider that one is necessary.

Authority

12. 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 be directed to co-operate with any request made by the Committee.

13. The Committee is authorized by the Board to delegate to one or more designated members of the Committee who are independent directors of the Board the authority to grant the pre-approvals contemplated by Paragraph 16(d) below.

14. The Committee is authorized by the Board, subject to prior discussion concerning likely costs, 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 may delegate its authority including to sub-committees (subject to applicable legal or regulatory requirements) and impose any regulations upon them, when it deems appropriate and in the best interests of the Company.

Duties

16. The duties of the Committee shall be:

    (a) primarily responsible for:-

        (i) making recommendations to the Board on the appointment, re-appointment 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; and

        (ii) reviewing and monitoring good corporate standards and practices including the following corporate governance functions:-

            - to develop and review the established policies and practices on corporate governance of the Company and make recommendations to the Board;

            - to review and monitor the training and continuous professional development of directors and senior management;

            - to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

            - to develop, review and monitor the Company's code of conduct and compliance manual (if any) applicable to employees and directors; and

            - to review the Company's compliance with the Corporate Governance Code set out in the Exchange Listing Rules ("Code") and disclosure in the corporate governance report of the Company's annual report;

(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 external auditor the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policy on engaging 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;

(d) to pre-approve all audit and non-audit services to be performed for the Company by the external auditor and to review and approve any pre-approval decisions made by the delegated authority of the Committee as contemplated by Paragraph 13 above;

(e) to monitor integrity of the Company's financial statements, annual report and accounts and half-year report, 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 Exchange Listing Rules and legal requirements in relation to financial reporting;

(f) Regarding (e) above:-

(i) members of the Committee should liaise with the Board, senior management and the Chief Financial Officer and the Committee must meet, at least twice a year, with the external auditor;

(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 Chief Financial Officer, the Company's staff responsible for the accounting and financial reporting function, any compliance officer or external auditor;

(iii) the Committee should discuss any problems or reservations arising from the interim and final audits; and

(iv) the Committee should resolve any disagreements between management and the external auditor regarding financial reporting;

(g) to review the Company's financial control, 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;

(h) 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 Company's accounting, internal audit and financial reporting functions;

(i) 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;

(j) to ensure co-ordination between the internal and external auditor, 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;

(k) to ensure co-ordination where more than one audit firm is involved;

(l) to review the Group's financial and accounting policies and practices;

(m) to review the external auditor's management letter, any material queries raised by the external auditor to management about the accounting records, financial accounts or systems of control and management's response;

(n) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

(o) to review the established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

(p) to produce and approve disclosure statements in relation to the Committee and its work as required by applicable laws and rules where necessary;

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

(r) to consider establishing the following procedure to review and monitor the independence of external auditor:-

- consider all relationships between the Company and the audit firm (including non-audit services);

- obtain from the audit firm annually, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those for rotation of audit partners and staff; and

- meet with the auditor, at least once a year, in the absence of management, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditor may wish to raise;

(s) to consider agreeing with the Board the Company's policies on hiring employees or former employees of the external auditor and monitoring the application of these policies and to consider whether there has been or appears to be any impairment, of the auditor's judgement or independence for the audit;

(t) to ensure that an external auditor's provision of non-audit services does not impair its independence or objectivity;

(u) to consider, when assessing the external auditor's independence or objectivity in relation to non-audit services:-

- whether the skills and experience of the audit firm make it a suitable supplier of non-audit services;

- whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit because the external auditor provides non-audit services;

- the nature of the non-audit services, the related fee levels and fee levels individually and in total relative to the audit firm; and

- the criteria for compensation of the individuals performing the audit;

(v) The Committee will also evaluate the adequacy and review the effectiveness of the Company's and its subsidiaries' risk management and internal control systems. The scope of the review cover all material controls, including financial controls, operational controls, compliance controls and, risk management and internal controls, and ancillary procedures on an ongoing basis and at least annually communicate to the Company's management to facilitate the Board's annual review, in particular, consider:-

(i) the changes, since the last annual review, in the nature and extent of significant risks (including environmental, social and governance ("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 Exchange Listing Rule compliance; 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;

(w) to review Company's established whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Committee about possible improprieties in any matter related to the Company; and

(x) to review the Company's established policy(ies) and system(s) that promote and support anti-corruption laws and regulations.

The above duties would extend to the Group and / or subsidiaries of the Company where applicable and / or necessary as required by applicable laws and rules.

Meeting Procedures

17. The meetings and proceedings of the Committee shall be governed by the provisions of the Company's Bye-laws for regulating the meetings and proceedings of the directors of the Company, except for otherwise determined by the Board from time to time.

18. The quorum for meetings shall be two members of the Committee.

Reporting Procedures

19. The Committee shall report to the Board concerning its activities and the matters set out in the Code, either orally or in writing, at regular meetings of the Board or at other times or occasions where necessary.

20. Full minutes of meetings of the Committee shall be kept by the Secretary of the Committee. Drafts and final versions of minutes of the Committee meetings shall be sent to all members of the Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

21. The Secretary of the Committee shall distribute the minutes of meetings / written resolutions of the Committee to the Board members.

Frequency of Review

22. This Terms of Reference should be reviewed on an annual basis and when necessary, and can be revised by the Board from time to time.