LIPPO CHINA RESOURCES LIMITED

(Incorporated in Hong Kong with limited liability)
(the "**Company**")

TERMS OF REFERENCE
OF
AUDIT COMMITTEE
(the "**Committee**")
(revised in December 2025)

1. Membership

1.1 The Committee shall be appointed by the board (the "**Board**") of directors (the "**Directors**") of the Company (together with its subsidiaries, the "**Group**") from amongst the non-executive Directors of the Company only and shall consist of a majority of (including the chairman of the Committee (the "**Chairman**")) independent non-executive Directors. At least one of the members shall be an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Committee shall consist of not less than three members.

1.2 The Chairman shall be appointed by the Board and should be an independent non-executive Director.

1.3 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 later of the date of the person ceasing (a) to be partner of the firm; or (b) to have any financial interest in the firm.

2. Frequency and proceedings of meetings

2.1 The Head of Accounts of the Company and a representative of the external auditor shall normally attend the meetings, unless requested otherwise by the Committee. At the invitation of the Committee, the Head of Internal Audit of the Company or in his/her absence, a representative from Internal Audit of the Company and those with meaningful input to the Committee's activities may attend the meetings. Other Board members shall also have the right of attendance at meetings of the Committee although only members of the Committee are entitled to vote at such meetings. However, at least once a year the Committee shall meet with the external auditor without executive Board members present.

2.2 The Company Secretary of the Company or his/her nominee shall be the secretary of the Committee. The secretary of the Committee or in his/her absence, his/her representative or any one member shall be the secretary of the meetings of the Committee.

2.3 Meetings shall be held not less than twice a year. The external auditor may request a meeting if they consider that one is necessary. Additional meetings shall be held as and when necessary.

2.4 The Chairman may convene additional meetings at his discretion.

2.5 The quorum of meetings shall be any two members.

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

2.7 Proceedings of meetings of the Committee shall be governed by the Articles of Association of the Company.

3. Duties, powers and functions

3.1 The duties of the Committee shall be:

Relationship with the Company's auditor

(a) to be primarily responsible for 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;

(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 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 external auditor; and

(ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and 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 person occupying the same or similar position) 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 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 risk management and internal control systems for the purposes of dealing with identified risks, safeguarding assets, preventing and detecting fraud, misconduct and ensuring the accuracy of financial reports. 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, as well as those relating to the Group's Environmental, Social and Governance 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) 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 report to the Board on the matters set out in the code provision D.3 in the Corporate Governance Code in Appendix C1 of the Listing Rules (the "**Code**");

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

Oversight of the Company's corporate governance functions

(o) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(p) to review and monitor the training and continuous professional development of Directors and senior management;

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

(r) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

(s) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report;

(t) to report to the Board on all matters in respect of these Terms of Reference; and

(u) to consider any other matters specifically referred to the Committee by the Board.

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

3.3 The Committee shall 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.

3.4 The Committee shall act as the key representative body for overseeing the Company's relation with the external auditor.

4. Annual General Meeting

The Chairman or in his/her absence, another member of the Committee (who must be an independent non-executive Director), shall attend the Company's annual general meetings and be prepared to respond to shareholders' questions on the Committee's activities and its responsibilities.

5. Authority

5.1 In addition, the Committee is authorized by the Board:

(a) to investigate any activity within its terms of reference, and the executive Directors shall ensure that members of the Committee are provided with full and unlimited access to all books and accounts of the Group;

(b) to inspect all accounts, books and records of the Company and seek any information it requires from any employee, consultant or adviser of the Group, and all employees, consultants and advisers of the Group are directed to co-operate with any request made by the Committee; and

(c) to obtain advices from external legal or other independent professional advisers whose fees and expenses shall be borne by the Company, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

5.2 The Company shall provide the Committee with sufficient resources to perform its duties.

6. Reporting procedures

6.1 The Committee shall report to the Board on the matters under these terms of reference.

6.2 Full minutes of the Committee meetings should be kept by the secretary of the Committee. Draft and final versions of minutes of the meetings should be sent to all Committee members for their comment and records, within a reasonable time after the meetings.

6.3 The secretary of the Committee shall also circulate the minutes of meetings of the Committee to other members of the Board within a reasonable time frame after the meetings.

7. Publication of the Terms of Reference

The terms of reference will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

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