

MGM CHINA HOLDINGS LIMITED
美高梅中國控股有限公司

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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282)

AUDIT COMMITTEE

Terms of Reference

(Adopted by a Resolution of the Board passed on February 16, 2012 and
as amended by a Resolution of the Board on November 5, 2015 and March 19, 2026)

1. ESTABLISHMENT

1.1 The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of MGM China Holding Limited (the "**Company**") to assist in fulfilling its responsibilities to:

- ensure adequate and effective risk management and internal controls are in place and followed and to monitor the internal audit function;
- ensure the integrity of the Company's financial statements and the Company's accounting policies and financial reporting practices and to satisfy itself that good accounting and audit principles are applied on a consistent basis throughout the Company and its subsidiaries (the "**Group**");
- monitor the adequacy of the scope and direction of external and internal auditing;
- consider the qualifications, independence and remuneration of the external auditor;
- consider the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget; and
- contribute towards a climate of discipline, risk management awareness and control within the Group.

1.2 Subject to the regulations contained in the Companies Law (as amended) of the Cayman Islands, the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Articles of Association of the Company, the procedures of the Audit Committee shall be regulated by the provisions set out in these Terms of Reference (the "**Terms of Reference**").

2. AUTHORITY

2.1 The 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 Committee.

2.2 The Committee shall have unrestricted access to the Chief Executive Officer and any other executive officers or employees, external auditor and internal auditors.

2.3 When necessary upon reasonable request and under agreed procedures, the Committee may have access to outside legal or other independent professional advice. If it considers appropriate, the Committee may secure the attendance of these professionals with relevant experience and expertise at the Committee meetings.

3. COMPOSITION AND QUALIFICATIONS

3.1 The Committee shall be appointed by the Board and shall consist of at least three members.

3.2 The Chairperson of the Committee shall be appointed by the Board and must be an Independent Non-Executive Director.

3.3 The Committee shall comprise Non-Executive Directors only. The majority of its members must be Independent Non-Executive Directors and at least one Independent Non-Executive Director with appropriate professional qualifications or accounting or related financial management expertise.

3.4 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 2 years from the date of the person ceasing:

(a) to be a partner of the firm; or

(b) to have any financial interest in the firm,

whichever is later.

3.5 Unless otherwise specified by the Board, the quorum necessary for the transaction of the business of the Committee shall be two.

4. MEETINGS

4.1 The senior finance executives, the head of internal audit, and the external auditor or other persons who are appropriate may be invited to attend particular meetings to answer specific points or concerns. Other members of the Board shall also have the right of attendance.

4.2 The Committee shall ensure that at least twice a year, it shall meet with the Company's external auditor.

4.3 The Committee shall ensure that at least once a year, the Committee shall meet with the external auditor in the absence of management to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the external auditor may wish to raise.

4.4 The Committee will meet at least two times each year and at such other times as it deems necessary to fulfil its responsibilities.

4.5 Regular Committee meeting dates are advised to all Committee members at the end of each financial year. For all other Committee meetings, reasonable notice of no less than seven days shall be given.

4.6 The Chairperson of the Committee shall chair all the Committee meetings.

4.7 Attendance may be in person or through electronic means of communications or as may be determined by the Board from time to time.

4.8 When necessary, written resolutions are circulated to all Committee members for approval in between meetings. Such written resolutions signed by all Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4.9 Unless otherwise provided in these Terms of Reference, meetings and proceedings of the Committee shall be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors and committees.

4.10 Questions arising at any Committee meeting shall be determined by a majority of votes.

4.11 The Chairperson (or in his/her absence, an alternative member) of the Committee shall attend the annual general meetings of the Company and be prepared to answer questions raised by the shareholders.

5. DUTIES AND RESPONSIBILITIES

5.1 The duties and responsibilities of the Committee include the following:

5.1.1 Relationship with external auditor

(a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;

(b) to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(c) to act as the key representative body for overseeing the Company's relationship with the external auditor;

(d) to establish procedures to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(e) to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences, and ensure co-ordination where more than one audit firm is involved;

(f) to develop and implement policy on engaging an external auditor to supply non-audit services. The Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed; and

(g) to agree with the Board the Company's policies relating to the hiring of employees or former employees of the external auditor and monitor the application of such policies on the basis that whether in the light of such employment there has been any impairment or appearance of impairment of the external auditor's judgement or independence in respect of audit of the Company.

5.1.2 Review of the Company's financial information

(a) 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:

- any change in accounting policies and practices;

- major judgmental areas;
- significant adjustments resulting from the audit;
- the going concern assumption and any qualifications;
- compliance with accounting standards, the Listing Rules and legal requirements in relation to financial reporting;

(b) Regarding (a) above:–

(i) the members of the committee should liaise with the Board and senior management and the committee must meet, at least twice a year, with the 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, it should give due considerations to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(c) to discuss problems and reservations arising from the audit, and any matters the external auditor may wish to discuss (in the absence of management where necessary);

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

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

(b) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems in place. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(c) to consider major investigations 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;

(d) 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;

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

(f) to review and recommend to the Board the Company's statement on risk management and internal control systems for inclusion in the annual report;

(g) to review of 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 responses;

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

5.1.4 Others

(a) to review the findings of internal investigations and management's response into any suspected frauds or irregularities or failures of internal controls or infringements of laws, rules and regulations;

(b) to review arrangements by which employees, in confidence, can 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 such concerns and appropriate follow up action;

(c) to report to the Board on matters in code provisions under the Corporate Governance Code in Appendix C1 to the Listing Rules to be implemented or from time to time implemented by the Stock Exchange; and

(d) to consider other topics, as defined by the Board.

6. REPORTING RESPONSIBILITIES, MINUTES AND RECORDS

6.1 The Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting of the Committee, the Chairperson of the Committee shall report to the Board on the findings and recommendations of the Committee.

6.2 Reports to the Board and minutes of the Committee should be formally approved by the Committee before reporting to the Board. The company secretary shall circulate the minutes of Committee meetings and reports of the Committee to all members of the Board.

6.3 Minutes of the Committee meetings shall record in sufficient detail the matters considered by the Committee and decision reached, including any concerns raised by the Committee members or dissenting views.

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

6.5 Any Committee member may inspect the minutes of the Committee meetings at any reasonable time on any reasonable notice.

7. PUBLICATION OF THE TERMS OF REFERENCE

7.1 The terms of reference will be posted on the websites of the Company and the Stock Exchange.