



萬科海外投資控股有限公司

**VANKE OVERSEAS INVESTMENT HOLDING COMPANY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01036)**

## **Terms of Reference for the Audit Committee of the Board**

(Revised in December 2025)

### **1. Membership**

- 1.1 The Audit Committee (the “**Committee**”) shall be appointed by the board of directors (the “**Board**”) of Vanke Overseas Investment Holding Company Limited (the “**Company**”) from amongst the Non-Executive Directors of the Company and shall consist of not less than three members (the “**Members**”).
- 1.2 The majority of the Members of the Committee shall be Independent Non-Executive Directors (“**INEDs**”) and at least one INED shall possess 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 (as amended from time to time, the “**Listing Rules**”).
- 1.3 The Chairman of the Committee shall be appointed by the Board and must be an INED.
- 1.4 A former partner of the Company’s existing auditing firm (the “**Firm**”), shall be prohibited from acting as a member of the Committee for a period of two 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.

### **2. Secretary**

- 2.1 The Company Secretary shall be the first secretary of the Committee.
- 2.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

### **3. Meetings**

- 3.1 The Committee shall meet at least twice a year. The Company’s external auditor may request a meeting if it considers that one is necessary.
- 3.2 The quorum of a meeting of the Committee shall be two Members. A meeting of the Committee may be held by means of a telephone or tele-conferencing or any other telecommunications facility provided that all participants are thereby able to communicate contemporaneously by voice with all other participants and participation pursuant to this provision shall constitute

presence in person at such meeting.

- 3.3 Only Members are entitled to vote at meetings of the Committee. Questions arising at any meeting of the Committee shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
- 3.4 A resolution in writing signed by all Members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

#### **4. Attendance at Meetings**

- 4.1 The Head of Finance and a representative of the Company's external auditor shall normally attend meetings. However, at least once a year the Committee shall meet with the external and internal auditors without the presence of the Executive Directors of the Company.
- 4.2 The Committee may invite external advisers or consultants or any other person it deems appropriate to its meetings.

#### **5. Representation at Annual General Meetings of the Company**

- 5.1 The Chairman of the Committee or in his/her absence, another Member or failing this the duly appointed delegate of the Chairman of the Committee, shall attend the Company's Annual General Meeting to answer shareholders' questions on the Committee's activities.

#### **6. Duties and functions**

The Committee shall have the following duties and functions:

##### *Relationship with the Company's auditors*

- 6.1 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;
- 6.2 to review annually and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- 6.3 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. Where the external auditor provides non-audit services, the Committee should conduct annual reviews to consider the nature of the non-audit service, whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit, and the aggregate fees paid to the external auditors and a breakdown of the fees paid for audit and non-audit services for the financial year;
- 6.4 to act as the key representative body for overseeing the Company's relations with the external auditor;

### *Review of the Company's financial information*

- 6.5 to monitor integrity of the Company's financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them. In reviewing these reports (if applicable) before submission to the Board, the Committee shall focus particularly on:
- (a) any changes in accounting policies and practices;
  - (b) major judgmental areas;
  - (c) significant adjustments resulting from audit;
  - (d) the going concern assumptions and any qualifications;
  - (e) compliance with accounting standards;
  - (f) compliance with the Listing Rules and legal requirements in relation to financial reporting; and
  - (g) the dividend policy.
- 6.6 Regarding 6.5 above:-
- (a) Members should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and
  - (b) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the financial statements, reports 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 person occupying the same position), or auditors.

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

- 6.7 to review the Company's financial controls, risk management and internal control systems at least annually;
- 6.8 to discuss and review the risk management and internal control systems at least annually 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 and financial reporting function;
- 6.9 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;
- 6.10 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 (i.e. the function is staffed by people with appropriate qualification, experience, integrity and independence of mind) and has appropriate standing within the Company, and to review and monitor its effectiveness;
- 6.11 to review the group's financial and accounting policies and practices;
- 6.12 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;
- 6.13 to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- 6.14 to monitor management's progress on implementing any new key financial reporting standards, and to stay updated with tax legislature and regulatory developments in relation to financial reporting;

- 6.15 to review arrangements which employees of the Group can use in confidence to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

*Others*

- 6.16 to report to the Board on the matters set out in paragraph C.3 of Part 2 to Appendix C1 to the Listing Rules (as amended from time to time) and these terms of reference; and
- 6.17 to consider other topics, as defined by the Board.

**7. Reporting Procedures**

- 7.1 The Committee shall report its activities, findings and recommendations to the Board on a regular basis. This may be done by tabling the minutes of a meeting of the Committee at the next meeting of the Board following that meeting of the Committee.
- 7.2 The Committee shall submit an annual report to the Board setting out the major matters dealt with at the Committee meetings during the period.

**8. Authority**

- 8.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Group in order to perform its duties.
- 8.2 The Committee is authorised by the Board where necessary to obtain independent professional advice at the Company's expenses.
- 8.3 The Committee shall be provided with sufficient resources to perform its duties.
- 8.4 The Committee shall give due consideration to all relevant laws and regulations, take an active interest and be proactive in understanding the affairs of the Company, and investigate any activity within its terms of reference.

**9. Publication of these Terms of Reference**

- 9.1 These terms of reference shall be posted on the websites of the Company and the Hong Kong Stock Exchange. A copy of these terms of reference shall be made available to any person without charge upon request.