



# 六福集團(國際)有限公司

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(於百慕達註冊成立之有限公司)  
(Incorporated in Bermuda with Limited Liability)  
Stock Code 股份代號 : 0590

## AUDIT COMMITTEE - TERMS OF REFERENCE

### 1. Constitution

- 1.1 Pursuant to a board meeting of Luk Fook Holdings (International) Limited (the “Company”) held on 1st February 1999, the board of directors (the “Board”) resolved to establish a committee of the Board to be known as the Audit Committee (the “Committee”).

### 2. Membership

- 2.1 Members of the Committee (the “Members”) shall be appointed by the Board and the Committee must consist of a minimum of three Members.
- 2.2 Membership shall be confined to Non-executive Directors of the Company, the majority of whom must be Independent Non-executive Directors (“INEDs”) with at least one INED having appropriate professional qualifications or accounting or related financial management expertise.
- 2.3 The Chairman of the Committee shall be appointed by the Board and shall be an INED.
- 2.4 A former partner of the Company’s existing auditing firm is prohibited from acting as a Member of the Committee for a period of two (2) years from the date of his/her ceasing:
- (i) to be a partner of the firm; or
  - (ii) to have any financial interest in the firm,
- whichever is later.

### **3. Secretary**

3.1 The Company Secretary of the Company shall be the secretary of the Committee.

3.2 The Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Committee.

### **4. Quorum**

4.1 A quorum shall be two Members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **5. Meetings**

5.1 Meetings shall be held not less than twice a year before the announcement of the interim results and final results. 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.

5.2 Meetings could 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 by means of which all persons participating in the meeting are capable of hearing each other.

5.3 Resolutions of the Committee at any meetings shall be passed by a majority of votes of the Members present.

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

### **6. Notice of Meetings**

6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its Members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Member of the Committee and any other persons required to attend, no later than three days before the date of the meeting. Supporting papers shall be sent to Committee Members and to other attendees as appropriate, at the same time.

## **7. Attendance at meetings**

- 7.1 The Committee shall meet at least once a year with the representatives of the external auditors without the senior management present.
- 7.2 The Committee may, from time to time, invite the Chairman of the Board, Board members, Managing Director, external auditor, external advisers and/or other persons as may be considered by the Committee to be appropriate to attend all or any part of any meetings. However, only Members are entitled to vote at the meetings.

## **8. Minutes of Meetings**

- 8.1 Full minutes and resolutions in writing shall 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 period of time after the meeting.

## **9. Annual General Meeting**

- 9.1 The Chairman of the Committee (or in his/her absence, another Member (who must be an INED) of the Committee) shall attend the Company's Annual General Meeting and be prepared to respond to shareholders' questions on the Committee's activities and responsibilities.

## **10. Authority**

- 10.1 The Board should delegate the Committee to inspect all accounts, books and records of the Company.
- 10.2 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.
- 10.3 The Committee is authorised by the Board to obtain outside legal or other independent professional advice at the Company's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 10.4 Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the external auditors, 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.
- 10.5 The Committee should be provided with sufficient resources to perform its duties.

## 11. Duties

The duties of the Committee shall be:

### *Relationship with the Company's External Auditor*

- 11.1 to be primarily responsible for making 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.
- 11.2 to review and monitor the external auditor's independence and objectivity.
- 11.3 to review and monitor 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 and to ensure co-ordination where more than one audit firm is involved.
- 11.4 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 reasonable 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*

- 11.5 to monitor the integrity of the Company's financial statements and annual report and accounts, interim report and if prepared for publication, quarterly reports; and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Committee shall 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 assumption and any qualification;
  - (v) compliance with accounting standards; and
  - (vi) compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") other applicable rules and legal requirements in relation to financial reporting.

11.6 Regarding to 11.5 above:-

- (i) Members should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's external auditor;
- (ii) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors, external and/or internal, may wish to discuss (in the absence of senior management where necessary); and
- (iii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the 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 internal or external auditors of the Company.

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

- 11.7 to review the Company's financial controls, and any findings or recommendations the risk management and sustainability committee has on the Company's risk management and internal control systems.
- 11.8 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 function, as well as those relating to the Company's environmental, social and governance performance and reporting.
- 11.9 to ensure that the effectiveness of the group's risk management and internal control systems is reviewed at least annually, with management providing confirmation on the effectiveness of these systems, and the scope of the review should cover all material control areas, including financial, operational, and compliance controls.
- 11.10 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.
- 11.11 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.
- 11.12 to review the group's financial and accounting policies and practices.

- 11.13 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.
- 11.14 to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.
- 11.15 to report to the Board on the matters in these Terms of Reference.
- 11.16 to consider any other matters specifically referred to the Committee by the Board.
- 11.17 to review arrangements employees of the Company can use, in confidence and anonymity, 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.
- 11.18 to act as the key representative body for overseeing the Company's relations with the external auditor.

*Performing the Company's corporate governance functions:*

- 11.19 (i) to develop and review the Company's policies and practices on corporate governance, including policies and practices on whistleblowing and anti-corruption, ensure their relevance and effectiveness, and make recommendations to the Board;
- (ii) to review the sustainability strategies and approach of the Company and to review the annual Sustainability Report;
- (iii) to review and monitor the training and continuous professional development of directors and senior management of the Company;
- (iv) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (v) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company;
- (vi) to review the Company's compliance with the Corporate Governance Code (Appendix C1 to the Listing Rules) and the disclosure in the Corporate Governance Report of the Company; and
- (vii) to review from time to time as appropriate this Terms of Reference and recommend to the Board any necessary changes.

## **12. Reporting procedures**

- 12.1 The Committee shall report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).

## **13. Publication of the Terms of Reference**

- 13.1 A copy of these Terms of Reference will be made available to any person without charge upon request, and this Terms of Reference will be posted on the websites of the Company and The Hong Kong Exchanges and Clearing Limited.

Revised on 26 June 2025