
**Terms of Reference for the Audit Committee of
Okura Holdings Limited
(the “Company”)
Revised and Adopted by the Board on 23 December 2022**

Definitions

1. For the purposes of these terms of reference (the “**Terms**”):

Audit Committee (or the “**Committee**”) means the audit committee established by the resolution of the Board in accordance with clause 2 of these Terms.

Board means the board of directors of the Company.

Chairman means the chairman of the Audit Committee.

Chief Financial Officer means the senior officer of the Company responsible for financial management as appointed by the Board from time to time.

Company Secretary means the company secretary of the Company.

Directors means the directors of the Board.

Group means the Company and its subsidiaries at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor.

Listing Rules mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

Senior Management means the same persons referred to in the Company’s annual report and required to be disclosed under paragraph 12 of Appendix 16 to the Listing Rules which may include directors of subsidiaries, heads of divisions, departments or other operating units within the Group as, in the opinion of the Company’s directors, is appropriate.

Shareholders means the shareholders of the Company.

Stock Exchange means The Stock Exchange of Hong Kong Limited.

Constitution

2. The Audit Committee was established by resolutions of the Board on 10 April 2017.

Membership

3. The members of the Audit Committee shall be appointed by the Board from amongst the non-executive Directors and shall consist of not less than three members, a majority of whom should be independent non-executive Directors who shall meet and maintain the independence requirements set out in the Listing Rules, and at least one of whom should be an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. The quorum of a Committee meeting shall be any two members of the Committee one of whom must be independent non-executive Director.
4. A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Audit Committee for a period of two years from the date of his ceasing.
 - (a) to be a partner of the firm; or
 - (b) to have any financial interest in the firm,whichever is later.
5. The Chairman shall be an independent non-executive Director within the Audit Committee and shall be appointed by the Board.
6. The members of the Audit Committee should ensure that they devote sufficient time and make contributions to the Company that are commensurate with their role and Board responsibilities.

Attendance at meetings

7. The Chief Financial Officer, the head of internal audit of the Company and a representative of the external auditors shall normally attend meetings. However, at least once a year the Audit Committee shall meet with the external and internal auditors without the executive Directors present.

Frequency and procedure of meetings

8. Unless otherwise stated herein, the meetings are governed by the provisions contained in the Company's articles of association for regulating the meeting and proceedings of Directors.
9. Meetings shall be held not less than twice a year. The Chairman shall convene a meeting upon request by any member of the Audit Committee. The external auditors may request a meeting if they consider that one is necessary.

10. The Company Secretary shall be the secretary of the Audit Committee.
11. An agenda and accompanying Board papers should be sent in full to all Directors in a timely manner and at least three days before the intended date of a meeting of the Audit Committee (or other agreed period).
12. Senior Management has an obligation to supply the Board and the Audit Committee with sufficient explanation and adequate information, in a timely manner, to enable it to make informed decisions. The information supplied must be complete and reliable. Where any Director requires more information than is volunteered by the Senior Management, the respective Director should make further enquiries where necessary. The Board and individual Director(s) should have separate and independent access to the Senior Management.

Annual General Meeting

13. Independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of Shareholders. The Chairman shall attend the Company's annual general meeting and be prepared to respond to any Shareholders' questions on the Audit Committee's activities.
14. If the Chairman is unable to attend an annual general meeting of the Company, he shall arrange for another member of the Audit Committee, or failing this, his duly appointed delegate, to attend in his place. Such person shall be prepared to respond to any Shareholders' questions on the Audit Committee's activities.

Authority

15. The Audit Committee is authorised by the Board to investigate any activity within these Terms. 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 Audit Committee.
16. The Audit Committee shall be provided with sufficient resources to perform its duties.
17. The Audit Committee is authorised by the Board to obtain outside independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Audit Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external auditors who advises the Audit Committee.

18. The Audit Committee shall report to the Board any suspected frauds and irregularities, failure of internal control or suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

Duties

19. The duties of the Audit Committee shall include:

Relationship with the Company's auditors

- (a) 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 to consider any questions of resignation or dismissal of that auditor;
- (b) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (c) developing and implementing policy on the engagement of an external auditor to supply non-audit services and report to the Board, identifying and making recommendations on any matters in respect of which it considers that action or improvement is needed. For this purpose, "external auditor" shall include 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 as part of the audit firm nationally or internationally;
- (d) discussing with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and ensuring proper co-ordination where more than one audit firm is involved;
- (e) discussing problems and reservations arising from the interim and final audits, and any matters the external auditor may wish to discuss (in the absence of Senior Management where necessary);

Review of financial information of the Company

- (f) monitoring the integrity of the Company's financial statements, annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained in them. In reviewing these reports before submission to the Board, the Audit Committee should 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; and
 - f) compliance with the Listing Rules and other legal requirements in relation to financial reporting;
- (g) With regard to (f) above:
- a) liaising with the Board, Senior Management and the person appointed as the Company's qualified accountant;
 - b) meeting at least twice a year, with the Company's auditors; and
 - c) considering any significant or unusual items that are, or may need to be, reflected in such financial statements, reports and accounts and giving 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 auditors;

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

- (h) reviewing the Company's financial controls, risk management and internal control systems;
- (i) discussing the risk management and internal control systems with the Senior Management to ensure that the Senior Management has performed its duties in establishing and maintaining an effective internal control system, including adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's environmental, social and governance performance and reporting;
- (j) considering major investigations findings on risk management and internal control matters as delegated by the Board or on its own initiative and Senior Management's response to those findings;
- (k) where an internal audit function exists, ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;

- (l) reviewing the Group's financial and accounting policies and practices;
- (m) reviewing the external auditor's management letter, any material queries raised by the auditor to the Senior Management about accounting records, financial accounts or systems of control and the Senior Management's response;
- (n) ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (o) reporting to the Board on the matters set out in these Terms;
- (p) reviewing arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (q) acting as the key representative body for overseeing the Company's relations with the external auditor;
- (r) establishing a whistle-blowing policy and system for employees of the Company and those who deal with the Company (e.g., customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company;
- (s) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- (t) reviewing and monitoring the training and continuous professional development of the Directors and Senior Management;
- (u) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (v) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Company's employees and Directors;
- (w) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report contained in Appendix 14 to the Listing Rules;
- (x) reviewing on-going connected transactions of the Company and ensuring compliance with terms of approval by the Shareholders;
- (y) reviewing the findings of internal investigations and the Senior Management's responses in relation to any suspected fraud or irregularities or failures of internal controls or infringement of laws, rules and regulations; and

(z) considering any other topics, as defined or determined by the Board.

Failure to reach an agreement regarding external auditors

20. Where the Board has taken a different view from the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors, the Audit Committee shall submit a statement to the Company explaining its recommendation, which statement will be disclosed by the Company in the Corporate Governance Report in accordance with Appendix 14 to the Listing Rules.

Reporting procedures

21. Full minutes of the Audit Committee's meetings should be properly kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary or his appointed delegate), and such minutes should be open for inspection at any reasonable time on reasonable notice by any Director.

22. Minutes of meetings of the Audit Committee should record in sufficient detail the matters considered by the Audit Committee and decisions reached, including any concerns raised by the Directors, members of the Audit Committee or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Audit Committee for their comment and records respectively, in both cases within a reasonable time after such meetings are held.

23. Without prejudice to the generality of the duties of the Audit Committee set out herein, the Audit Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

Provision of Terms

24. The Audit Committee should make available these Terms, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website.

23 December 2022

(If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.)