



Shenzhen International Holdings Limited

Terms of Reference of the Audit Committee of the Board of Directors

1. Status

1.1 The Audit Committee (the “Committee”) is a sub-committee of the board of directors (the “Board”) of Shenzhen International Holdings Limited (the “Company”) to which the Board has delegated to perform its duties as set out in below.

2. Composition

2.1 All members of the Committee shall be non-executive directors and shall consist of at least three members, the majority of the members shall be independent non-executive directors and one of whom must have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2.2 Members of the Committee shall be appointed, replaced and removed by the Board after considering the recommendations of the Committee.

2.3 Only members of the Committee are entitled to attend meetings, but the Committee may invite other Board members, senior management, representatives from other departments or external auditor to attend meetings as appropriate. External consultants may also be invited to attend meetings of the Committee.

3. Chairman of the Committee

3.1 The chairman of the Committee shall be an independent non-executive director and be appointed by the Board after being elected among the members. All meetings shall be chaired by the chairman of the Committee. In the absence of the chairman of the Committee, members present at the meeting may elect another member to chair the Committee meeting.

3.2 The chairman of the Committee should attend the annual general meeting to answer shareholders’ questions on the Committee’s activities.



4. Reporting procedures and frequency of meetings

- 4.1 The secretary of the Committee shall be appointed, replaced and removed by the Committee and is basically served by the head of the finance department.
- 4.2 Any member may call a meeting of the Committee through the secretary of the Committee. The Committee shall meet at least twice a year (excluding resolutions in writing). The Committee may convene additional meetings as and when necessary.
- 4.3 The secretary of the Committee shall attend the Committee meetings and shall be responsible for preparing minutes of the meetings. Draft and final versions of minutes shall be circulated and sent to all members present at the meeting for comments and records within a reasonable time after the meetings being held. The minutes shall be signed by the chairman of the meeting or put to vote at the next meeting for confirmation. All directors shall be entitled to inspect and request at any time copies of the minutes of the Committee meetings.
- 4.4 The chairman of the Committee shall report to the Board the decisions or recommendations made by the Committee within the terms of reference.

5. Notice of meetings

- 5.1 The secretary of the Committee may convene a meeting by serving notice to each member in writing or by other electronic means. The period of notice of the meeting shall not be less than five days, including the date of issuing the notice and the date of the meeting. However, with the unanimous consent of all members, the said period of notice of the meeting can be exempted. Under normal circumstances, the meeting documents should be despatched together with the agenda and notice of the meeting.
- 5.2 Any member may propose an issue to be submitted to the meeting for discussion; the secretary of the Committee shall draft the agenda of the meeting and submit to the chairman of the Committee for approval.

6. Quorum and vote at the meetings

- 6.1 The quorum of meetings of the Committee shall be at least two members. Members are not entitled to appoint proxies.
- 6.2 Each member present at the meeting shall have one vote. All resolutions put to vote at the meeting shall be passed by a majority of votes of the members present at the meeting to be valid. In case of an equality of votes, the chairman of the meeting shall be entitled to a second or casting vote.
- 6.3 Members who are unable to attend the meeting in person can participate by telephone or by other electronic communication facilities. Members participating in the meeting by telephone or by other electronic communication facilities shall be deemed as being present at the meeting.



6.4 Members who are unable to attend the meeting may state their opinions in writing. The written opinions of such absent members, who are not entitled to vote in that meeting, shall be recorded in the minutes.

6.5 Any resolution in writing signed by all members shall be deemed as having been passed at a lawful meeting.

7. Duties

The Committee's duties shall include the following:

Relationship and communication with the Company's external auditor

7.1 act as the key representative for overseeing the Company's relations with the external auditor.

7.2 be primarily responsible for discussing and making recommendations to the Board on the appointment, re-appointment, replacement and removal of the external auditor of the Company, approve the remuneration and terms of engagement of the external auditor, and deal with any issue relating to the resignation or dismissal of the external auditor.

7.3 review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee shall discuss with the external auditor the nature and scope of the audit and reporting obligations before commencing the audit.

7.4 develop and implement policies on the engagement of the external auditor to provide non-audit services. The Committee shall report to the Board on any matters where actions or improvements are needed and make recommendations as to the steps to be taken.

Review of the Company's financial information

7.5 monitor the integrity of the financial statements, interim reports, annual reports and accounts of the Company, and to review the significant financial reporting judgements contained therein. The Committee shall consider any significant or unusual items reflected or required to be reflected in such reports and accounts, and any matters raised by the staff of the Group who are responsible for the accounting and financial reporting function, internal audit function or external auditor. The Committee shall review such reports and accounts particularly on the following areas before submitting the same to the Board:

- (a) any change in accounting policies and practices;
- (b) all decisions involving critical estimates or judgements;
- (c) significant adjustments resulting from audit;



- (d) the going concern assumptions of the Group and any qualified opinions issued by the external auditor;
- (e) the compliance with applicable accounting standards; and
- (f) the compliance with the Listing Rules and applicable laws.

The Committee shall (i) liaise with the Board and senior management should meet the external auditor at least twice annually, including at least once in the absence of all executive directors and the senior management; (ii) discuss with the external auditor problems arising from the interim and annual audit, and other issues that the external auditor, the chief financial officer of the Group, internal audit personnel and staff responsible for the accounting and financial reporting function consider necessary to discuss (in the absence of the senior management of the Group where necessary).

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

- 7.6 review the annual audit plan and key audit tasks, and supervise the implementation after approval by the Board; study the major audit conclusions and rectification work, and promote the application of the audit results.
- 7.7 review the external auditor's management letter issued to the senior management of the Group, any material queries raised by the external auditor to the senior management in respect of accounting records, financial accounts or control systems and the reply or response from the senior management.
- 7.8 ensure that the Board provides timely response to the issues raised in the external auditor's management letter issued to the senior management of the Group.
- 7.9 review the Group's financial control, risk management and internal control systems and compliance management system, and the Group's statement on the risk management and internal control systems contained in the annual report; consider and make recommendations to the Board on the policies of risk management, internal control and compliance management.
- 7.10 discuss with the senior management on the development of the risk management and internal control systems and the compliance management system to ensure that the senior management has performed its duty to establish effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.



- 7.11 consider the findings of major investigations on risk management and internal control matters and the response from the senior management to these findings on its own initiative or as delegated by the Board.
- 7.12 assess the internal audit procedures of the Group, supervise the development and implementation of the internal audit system, review and evaluate the implementation of the system and make recommendations to the Board, ensure co-operation between the internal audit personnel and the external auditor and the Group's risk management department and internal audit department (or such departments with the same functions and responsibilities) are provided with adequate resources and have appropriate status within the Group.
- 7.13 review the Group's financial and accounting policies and practices.
- 7.14 review arrangements for employees of the Group and external third parties who deal with the Group (such as customers and suppliers) to raise concerns, in confidence and anonymity about possible improprieties in financial reporting, internal control or other matters; and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

Other duties

- 7.15 the Committee shall review its terms of reference and make recommendations on amendments to the Board where appropriate.
- 7.16 the Committee shall review the Committee's work and progress disclosed in the annual report of the Company every year.
- 7.17 investigate and deal with other issues assigned by the Board.

8. Authority

- 8.1 The Committee is authorised by the Board to carry out such related matters in accordance with its terms of reference, and access to the information, record or report from any employee of the Group in order to perform its duties and request any employee to attend the meetings of the Committee and answer questions as and when required.
- 8.2 The Committee shall be provided with sufficient resources to perform its duties. The Committee is authorised by the Board to seek advice from external legal and other consultants and other professionals, including defining the terms of reference of consultants, approving consultant fees and other retainer terms, but if the consultant fee exceeds HK\$500,000, discussion with the executive board committee is required.

9. Others

- 9.1 These terms of reference shall not override the Memorandum of Association and Bye-Laws of the Company, especially the requirements that members are not entitled to vote in case of conflicts of interests.
- 9.2 The requirements for the proceedings of the Board meetings that are not stipulated in these terms of reference but provided in the Memorandum of Association and Bye-Laws of the Company shall be applicable to the proceedings of the meetings of the Committee.
- 9.3 These terms of reference may be amended, supplemented and revoked from time to time by the Board without violation of the Memorandum of Association and Bye-Laws of the Company and the Listing Rules (including the Corporate Governance Code).

- The End -

Amendments of the Terms of Reference:

<i>September 2000</i>	<i>Amendments approved by the Board</i>
<i>April 2003</i>	<i>Amendments approved by the Board</i>
<i>March 2005</i>	<i>Amendments approved by the Board</i>
<i>April 2009</i>	<i>Amendments approved by the Board</i>
<i>March 2011</i>	<i>Amendments approved by the Board</i>
<i>March 2012</i>	<i>Amendments approved by the Board</i>
<i>March 2016</i>	<i>Amendments approved by the Board</i>
<i>December 2017</i>	<i>Amendments approved by the Board</i>
<i>January 2023</i>	<i>Amendments approved by the Board</i>
<i>January 2024</i>	<i>Amendments approved by the Board</i>

Note: *The English translation of this Terms of Reference is for reference only. Should there be any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*