

(Stock code: 2777)

Terms of Reference of Audit Committee

1. Constitution

1.1 The Audit Committee (the "**Committee**") is established pursuant to a resolution passed by the board of directors (the "**Board**") of Guangzhou R&F Properties Co., Ltd. (the "**Company**") at its meeting held on 27 June 2005.

2. Membership

2.1 Members of the Committee shall be appointed by the Board from amongst the non-executive and independent non-executive directors of the Company only and shall consist of not less than three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required in rule 3.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). A former partner of the Company's existing auditing firm should be prohibited from acting as a member of its audit committee for a period of two years from the date of the person ceasing:

(i) to be a partner of the firm; or
(ii) to have any financial interest in the firm, whichever is later.

2.2 The Chairman of the Committee shall be appointed by the Board and shall be an independent non-executive director.

2.3 The company secretary of the Company shall be the secretary of the Committee.

2.4 The appointment of the members of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board and by the Committee.

3. Proceedings of the Committee

3.1 Notice

3.1.1 Unless otherwise agreed by all the Committee members, a meeting shall be called by at least ten days' notice.

3.1.2 The Chairman of the Committee or any two Committee members may and, on the request of any two Committee members, the secretary to the Committee shall, at any time summon a Committee meeting.

3.1.3 Notice of meeting shall state the time and place of the meeting and shall be accompanied by an agenda together with other documents which may be required to be considered by the members of the Committee for the purposes of the meeting.

3.2 Quorum

The quorum of the Committee meeting shall be majority of the members of the Committee, and resolutions of the Committee meetings will be passed with the majority of the members of the Committee.

3.3 The Financial Controller, the Head of Internal Audit (or any officer(s) assuming the relevant functions but having a different designation) and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance. At least twice a year the Committee shall meet with the external auditors.

3.4 Frequency of meetings

Meetings shall be held at least twice annually or more frequently if circumstances require. The external auditors may request the Chairman of the Committee to convene a meeting, if they consider that one is necessary.

4. Written resolutions

4.1 Written resolutions may be passed by all Committee members in writing.

5. Proxy

5.1 A Committee member who is unable to attend the meeting can appoint another Committee member as his proxy to attend the meeting on his behalf or express his views or propose resolutions to the Committee in writing. Attendance at the meeting by a proxy should not be counted as attendance by the Committee member himself.

6. Authority of the Committee

6.1 The Committee may exercise, including but not limited to, the following powers:

6.1.1 the Committee is authorized to, within these terms of reference, investigate any activities of the Company and its subsidiaries (the "**Group**") and to seek any information it requires from any employee of the Group, to seek any advice from any external legal or other independent professional advisers;

6.1.2 the Committee shall report to the Board when the Committee notices any irregularities, internal control deficiencies or any non-compliances to any applicable rules, regulations, codes or laws when situation warrants the attention of the Board;

6.1.3 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 ; and

6.1.4 to exercise such powers as the Committee may consider necessary or expedient so that their duties under section 7 below can be properly discharged.

7. Duties

7.1 The duties of the Committee shall include but not limited to the following:

7.1.1 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;

7.1.2 to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

7.1.3 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;

7.1.4 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 judgments contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on:

(i) any changes in accounting policies and practices;
(ii) major judgmental areas;
(iii) significant adjustments resulting from audit;
(iv) the going concern assumptions and any qualifications;
(v) compliance with accounting standards;

(v)

7.1.6 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 and financial reporting function;

7.1.7 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;

7.1.8 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 and has appropriate standing within the Company, and to review and monitor its effectiveness;

7.1.9 to review the Group's financial and accounting policies and practices;

7.1.10 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;

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

7.1.12 to report to the Board on the matters set out in the code provision D.3.3 of the Corporate Governance Code (as amended from time to time) in Appendix C1 of the Listing Rules;

7.1.13 to review arrangements employees of the Company can use, in confidence, 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;

7.1.14 to act as the key representative body for overseeing the Company's relations with the external auditor; and

7.1.15 to consider other topics, as defined by the Board.

7.2 The Committee should be provided with sufficient resources to discharge and perform its duties.

8. Minutes and records

8.1 Full minutes of the meetings of the Committee and all written resolutions of the Committee should be kept by the secretary of the Committee.

8.2 The secretary of the Committee shall circulate the draft and final versions of minutes of the meeting of the Committee or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or the passing of the written resolutions.

8.3 The secretary of the Committee shall keep record of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during that financial year.

9. Powers of the Board

9.1 The Board may, subject to compliance with the articles of association of the Company and the Listing Rules (including the Corporate Governance Code set out in Appendix C1 to the Listing Rules or if adopted by the Company, the Company's own code of corporate governance practices), amend, supplement and revoke these terms of reference and any resolution passed by the Committee provided that no amendments to and revocation of these terms of reference and the resolutions passed by the Committee shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference or resolution had not been amended or revoked.

10. Reporting procedure

10.1 The secretary of the Committee shall circulate the minutes of Committee meetings, reports of the Committee and relevant information to all directors of the Company.

Adopted on 27 June 2005, and revised on 20 March 2012, 18 December 2015, 27 December 2018 and 16 June 2025 respectively.

* for identification purpose only