

**C C LAND HOLDINGS LIMITED**  
(the “Company”)

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**AUDIT COMMITTEE**

**TERMS OF REFERENCE**

**1. Establishment**

1.1 The board of directors (the “Board”) of the Company has resolved to establish an Audit Committee (the “Committee”).

**2. Membership**

2.1 The Committee shall be appointed by the Board from amongst the non-executive directors of the Board and shall comprise not less than three members, a majority of whom should be independent non-executive directors.

2.2 The Chairman of the Committee shall be appointed by the Board from amongst the members of the Committee who are independent non-executive directors.

**3. Attendance at Meetings**

3.1 The 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.

3.2 The Finance Director shall normally attend meetings of the Committee. If requested to do so, the Committee shall meet with the external auditors with or without executive Board members present.

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

**4. Frequency of Meetings**

4.1 The Committee shall meet not less than twice a year with the external auditors and at such other times as the Chairman of the Committee shall require.

**5. Annual General Meeting**

5.1 The Chairman of the Committee or any other member of the Committee shall attend the Company’s annual general meeting and be prepared to respond to any shareholders’ questions on the Committee’s activities and responsibilities.

**6. Authority**

6.1 The Committee is authorised by the Board:

6.1.1 to investigate any activity within its terms of reference;

- 6.1.2 to seek any information it requires from any employee of the Company in order to perform its duties; and
- 6.1.3 to obtain outside legal or other independent professional advice on any matters within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, subject to prior discussions with the Chairman of the Board concerning the likely costs.

## **7. Duties**

7.1 Duties of the Committee shall include: -

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

- (a) 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;
- (b) 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;
- (c) 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;

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

- (d) 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 judgements 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; and

- (vi) compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and legal requirements in relation to financial reporting;
- (e) Regarding (d) above:-
  - (i) members of the Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors; and
  - (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the report 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 auditors;

*Oversight of the Company's financial reporting system and internal control procedures*

- (f) to review the Company's financial controls, internal control and risk management systems;
- (g) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. 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;
- (h) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (i) 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;
- (j) to review the group's financial and accounting policies and practices;
- (k) 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;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board on the matters in this code provision;
- (n) to consider other topics, as defined by the Board;

- (o) 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; and
- (p) to act as the key representative body for overseeing the Company's relations with the external auditor.

## **8. Reporting Procedures**

- 8.1 The secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
- 8.2 The Committee shall report to the Board on its decisions or recommendations.

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

- 9.1 The terms of reference of the Committee were posted on the websites of The Stock Exchange of Hong Kong Limited and of the Company.

30 March 2012