

OP Financial Investments Limited
("Company")

Terms of Reference of the Audit Committee ("Committee")
(Adopted pursuant to a resolution passed on 3 March 2016)

1. Constitution

1.1 The first Committee was established pursuant to a resolution passed by the board ("**Board**") of directors of the Company ("**Directors**") at its meeting held on 26 February 2003.

2. Membership

2.1 The Committee shall consist of not less than three members ("**Members**") who must be non-executive Directors appointed by the Board from time to time.

2.2 The Chairman of the Committee shall be an independent non-executive Director ("**INED**") appointed by the Board.

2.3 The majority of the Members shall be INEDs and at least one of whom is an INED with 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 (the "**Listing Rules**") of The Stock Exchange of Hong Kong Limited.

2.4 A former partner of the Company's existing auditing firm shall be prohibited from acting as a Member for a period of one (1) year 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.

3. Secretary

- 3.1 The company secretary ("**Company Secretary**") shall be the secretary of the Committee.

4. Minutes

- 4.1 Full minutes of the Committee's meeting shall be kept by the Company Secretary. Draft and final versions of minutes of the meetings shall be sent to all Members for their comment and records, within a reasonable time after the meeting.

5. Frequency and proceedings of meetings

- 5.1 The Committee shall meet at least twice every year.
- 5.2 The quorum of a meeting shall be two Members of the Committee and majority present shall be INEDs.
- 5.3 Proceedings of meetings of the Committee shall be governed by the provisions of Articles 140(a) of the articles of association of the Company ("**Articles**").

6. Duties and authorities

- 6.1 The Committee shall:
- (a) Relationship with the Company's auditors
 - (i) be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal. 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;

- (ii) review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
 - (iii) discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
 - (iv) 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;
 - (v) report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (b) Review of the Company’s financial information
- (i) 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;
 - (ii) in reviewing the reports mentioned in 6.1(b)(i) above before submission to the Board, focus particular on:
 - (aa) any changes in accounting policies and practices;
 - (bb) major judgmental areas;
 - (cc) significant adjustments resulting from audit;

- (dd) the going concern assumptions and any qualifications;
 - (ee) compliance with accounting standards; and
 - (ff) compliance with the Listing Rules and legal requirements in relation to financial reporting;
 - (iii) regarding 6.1(b)(ii) above,
 - (aa) liaise with the Board and senior management and must meet, at least twice a year, with the Company's auditors; and
 - (bb) consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and 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;
- (c) Oversight of the Company's financial reporting system, risk management and internal control systems
 - (i) review the Company's financial controls, internal control and risk management systems;
 - (ii) 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;
 - (iii) 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;

- (iv) where an internal audit function exists, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;
 - (v) review the Company and its subsidiaries' financial and accounting policies and practices;
 - (vi) 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;
 - (vii) ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
 - (viii) report to the Board on the matters in this 6.1(c);
 - (ix) consider other topics, as defined by the Board;
- (d) be provided with sufficient resources to perform its duties;
 - (e) review arrangements employees of the Company can use, in confidence, to raise concerns 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;
 - (f) act as the key representative body for overseeing the Company's relations with the external auditor;
 - (g) where necessary, establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Committee about possible improprieties in any matter related to the Company;

- (h) do any such things to enable it to perform its duties conferred on it by the Board; and
- (i) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles or imposed by legislation.

7. Reporting Procedures

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

8. Miscellaneous

- 8.1 This revised terms of reference of the Committee was adopted by passing of the relevant resolutions by the Board on 3 March 2016 and shall have immediate effect.