

Audit Committee Report

Chair's introduction



I am pleased to present the Audit Committee's report for the year ended 31 December 2025.

We held three scheduled Audit Committee meetings in 2025. The third meeting in December provided the Company with an early assessment of issues that might impact the full-year results.

The uncertain macro environment remained an area of significant focus for the Committee this year. Close attention was paid to the fair value losses on investment properties and impairments in Hongkong Land's Build-to-sell business on the Chinese mainland. Additionally, the Committee monitored the continued headwinds faced by Zhongsheng, which indicated a significant potential impairment at year-end, and the ongoing valuation assessments of various assets within Astra.

The Committee has regularly scrutinised accounting issues and judgements made by management, to monitor and assess the continued integrity of the Company's financial reporting. Key areas of review included property valuations, the carrying value of associate investments, provisioning, and the adoption of a revised accounting policy for 'non-trading items'. Read more in note 44 to the financial statements.

The Committee has monitored the approach and scope of the Company's non-financial reporting framework, particularly in light of the upcoming implementation of new sustainability and climate-related disclosure standards (IFRS S1 and S2). It also received regular updates from management on the wider control environment, which remains 'Effective' overall. The Committee examined progress in remediating deficiencies in certain areas, such as those identified at Mandarin Oriental, and reviewed reports on whistleblowing, with input from the Company's Audit and Risk Management function (ARM) and our external auditor, PwC.

The Committee reviewed and monitored the Company's principal risks, which were updated to reflect the Company's redefined governance approach, through a combination of business reviews and regular updates from management and ARM. Read more on page 69.

The Committee's role is to monitor the effectiveness of the Company's financial reporting, including ESG and climate-related financial disclosures, systems of internal control, and risk management. The Audit Committee also monitors the integrity of the Company's external and internal audit processes.

The Committee's key responsibilities are summarised in its terms of reference on page 68. The Committee's terms of reference were reviewed and updated during the year, and the full terms of reference can be obtained from the Company's website at www.jardines.com.

Stuart Gulliver

Audit Committee

The Board is supported by the activities of the Audit Committee. The current members of the Audit Committee are:

- Stuart Gulliver (Chairman);
- Janine Feng; and
- Tim Wise.

Tim Wise was appointed as a member of the Committee on 23 May 2025, in place of Michael Wu, who stood down with effect from the same date. The Audit Committee comprises only INEDs. Each of Stuart Gulliver, Janine Feng and Tim Wise has recent financial experience and expertise, as well as a deep understanding of risk management.

The Company's CEO, CFO and General Counsel, together with representatives of the internal and external auditors, also attend Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Committee meets on a scheduled basis three times a year, and reports to the Board after each meeting.

The role of the Audit Committee is governed by its terms of reference. The Committee's remit includes:

- independent oversight of financial reporting processes, including related internal controls; risk management and compliance; business ethics issues; the risks related to information systems and procedures and cybersecurity;
- monitoring and reviewing the effectiveness of the internal audit function and the Company's external auditor;
- considering the independence and objectivity of the external auditor, including review of the nature and extent of non-audit work performed by the external auditor; and
- reviewing independent assurance in respect of the effectiveness of sustainability metrics adopted by the Company.

Before completion and announcement of the Company's half-year and full-year financial results, a review is undertaken by the Committee, with the executive management, of the Company's financial information and any issues raised in connection with the preparation of the financial results, including the adoption of any new accounting policies. A report is also received by the Committee from the external auditor. The external auditor also has access, when necessary, to the full Board and other senior executives and the boards of the Company's portfolio companies.

The Committee confirms, to the best of its knowledge, the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

The key matters considered by the Audit Committee during 2025 included:

- reviewing the 2024 annual financial statements and parts of the 2024 annual report and accounts, as well as the 2025 half-yearly financial statements, with particular focus on the valuation of investment properties, recoverability of properties for sale held by the Company and its joint ventures, provisioning for consumer financing debtors, carrying value of associate investments in Zhongsheng and Robinsons Retail and accounting for the divestment of associate Yonghui;
- reviewing the actions and judgements of management in relation to changes in accounting policies and practices to ensure clarity of disclosures and compliance with new accounting standards;
- receiving reports from Internal Audit on the status of the control and compliance environment of the Company and its business divisions and progress made in resolving matters identified in the reports;
- reviewing the principal risks, evolving trends and emerging risks that affect the Company and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- receiving updates on the cybersecurity threat landscape and the Company's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- reviewing the annual internal audit plan and status updates;
- reviewing audits of businesses by PwC and by auditors other than PwC;
- reviewing confirmations provided in respect of the Company's exposure to fraud;
- reviewing the assurance provided by PwC as external assurance provider on the Company's Sustainability metrics; and
- reviewing the independence, audit scope and fees of PwC as external auditor and recommending their re-appointment as the Company's external auditor.

Audit Committee attendance

The table below shows the attendance at the scheduled 2025 Audit Committee meetings:

	Meetings eligible to attend	% attended
Audit Committee members in 2025		
Stuart Gulliver (Chairman)	3/3	100%
Janine Feng	2/3	67%
Tim Wise*	2/2	100%
Michael Wu*	1/1	100%

* Michael Wu resigned from the Audit Committee on 23 May 2025. Tim Wise was appointed to the Audit Committee on 23 May 2025.

Auditor independence and effectiveness

The independence and objectivity of the Company's external auditor are safeguarded by control measures, including:

- reviewing the nature of non-audit services (including compliance with the Company's non-audit services policy);
- the external auditor's own internal processes to approve requests for non-audit work to the external audit work;
- monitoring changes in legislation related to auditor independence and objectivity;
- the rotation of the lead audit partner after seven years;
- independent reporting lines from the external auditor to the Committee and providing an opportunity for the external auditor to have in-camera sessions with the Committee;
- restrictions on the employment by the Company of certain employees of the external auditor;
- providing a confidential helpline that employees can use to report any concerns; and
- an annual review by the Committee of the policy to ensure the objectivity and independence of the external auditor.

The Board's annual review in 2025 of the external auditor's independence and effectiveness found that they performed their duties effectively. The Board found the level of professional scepticism, the number and regularity of meetings with the Audit Committee (both informal as well as formal), feedback from Committee members and internal stakeholders, and the levels of technical skills and experience to be effective.

At each AGM of the Company, the Company is required to appoint an external auditor to hold office until the conclusion of the next AGM. The Company's shareholders approved the reappointment of PwC Hong Kong as the Company's external auditor at the AGM on 2 May 2025.

Risk management and internal control

The Board has overall responsibility for the Company's systems of risk management and internal control. It is supported by the Audit Committee, which is responsible for providing oversight of the Company's risk management activities.

The Audit Committee considers the Company's principal risks and uncertainties, as well as emerging risks that it may face. It also ensures that the Company maintains robust risk management systems to safeguard the Company's interests and those of its stakeholders. In addition, it reviews the effectiveness of the design and operation of the Company's systems of internal control (financial, operational and compliance) and the practices that the Company adopts to mitigate these risks.

Appropriate governance of the portfolio operating companies has been adopted by the Company by maintaining ongoing engagement with the portfolio companies through shareholder representatives on both the Boards and Audit Committees of key controlled portfolio companies who are fully accountable for governance, risk management and internal control, in addition to having full accountability for setting and executing strategy, and driving operational performance and capital allocation to deliver enhanced growth and shareholder returns. While the Company's executives no longer take a direct role in day-to-day operations or governance of the portfolio companies, the Board fulfils its assurance and reporting roles for the Company primarily by relying on portfolio Boards, Audit Committees and Executive Teams and their respective processes. Key risk and governance matters are regularly reported to the Company's Audit Committee by the Chair of each portfolio company Audit Committee.

The Company has an established risk management process which has not changed materially and covers all of its portfolio companies. This process includes the portfolio companies maintaining their own risk registers that detail their existing and emerging risks to the achievement of their strategies as well as relevant key controls and mitigating actions to address these risks.

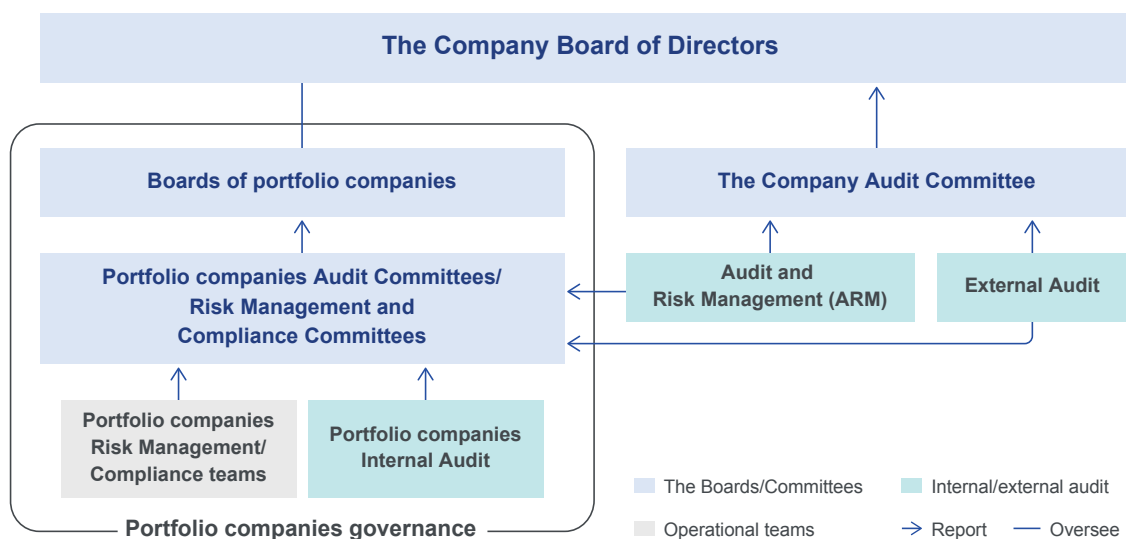
The Company's ARM assists the Audit Committee with fulfilling its assurance and reporting roles in governance, risk management and internal control, and reporting periodically on the results of this assistance, as mandated, including on its review of key risks and other matters reported from the Company's portfolio companies. ARM's responsibilities include conducting internal audits of the processes implemented by the Company and the portfolio companies, where mandated. ARM is also responsible for reviewing and aggregating risks reported by the Company's portfolio companies, maintaining the Company's risk register, and raising awareness of the Company's approach to risk management amongst colleagues via various educational activities and communications. ARM adheres to international professional practice standards for internal auditing. To safeguard its independence and objectivity, ARM reports functionally to the Audit Committee of the Company and has full and unrestricted access to the Company business functions, records, locations and personnel.

The Company expects each portfolio company to make appropriate provision for high-quality, independent internal audit of its operations, controls and risk management and governance processes. The choice of who to appoint to perform such work rests with the Audit Committees of the respective portfolio companies although, in many cases, ARM is appointed to fulfil this internal audit role. Whether or not that is the case, the Company requires the quality of audit work provided to each portfolio company to be regularly assessed (at least every five years) by a third-party independent consultant.

The Company's internal control systems are designed to manage, rather than eliminate, business risk, to help safeguard its assets against fraud and other irregularities and to give reasonable, but not absolute, assurance regarding material financial misstatement or loss.

The Company's risk management process, risk register and internal control are reviewed by ARM on a regular basis.

Risk governance structure



The Company operates a “three lines of defence” risk governance framework which defines clear responsibilities and the structure for ensuring accountability for and transparency regarding its risk management practices, as shown below:

- First line: identifies and assesses relevant risks and then implements and manages specific responses to, and other mitigating actions for, these risks. It also establishes, and is responsible for, control activities which ensure that its operations are carried out properly. Such activities are considered an integral part of corporate operations. The first line comprises functional management at the Company and in the portfolio companies as well as these entities’ company leadership;
- Second line: monitors the key risks of the Company and its portfolio companies and ensures that controls implemented by the first line are appropriate and effective. It also provides support to the first line in the identification and assessment of key risks, as well as in the implementation of the procedures and controls necessary to address them. This second line is entrusted to risk management and compliance functions at the Company and in the portfolio companies; and
- Third line: performs independent and objective assurance and advisory activities, to assess the adequacy of internal control, risk management and corporate governance processes, using a risk-based approach. These are carried out by the internal audit functions of the Company and of the portfolio companies, which operate independently.

The Company and each portfolio company are responsible for:

- implementing risk management and “three lines of defence” framework;
- identifying and assessing the principal and emerging risks and uncertainties to which the Company and each portfolio company are exposed, respectively;
- implementing the most appropriate actions to mitigate and control these risks to an acceptable level;
- providing adequate resources to minimise, offset or transfer the effects of any relevant risk event that may occur, whilst considering related costs and benefits;
- monitoring the effectiveness of their systems of risk management and internal control;
- reporting periodically to their respective board of directors and audit committee (or equivalent body) on principal and emerging risks and uncertainties; and
- reporting on key risks and other matters to ARM as part of ARM’s process for reporting to each Company Board and Audit Committee meeting.

Risk management framework

Risk management is integrated into the Company’s strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of:



A Risk Management Framework, based on ISO 31000 and the COSO principles, has been established and embedded into the Company's business activities, to enable the Company and each portfolio company to identify and assess their key risks and define their strategies for treating, monitoring and reporting

on such risks. The risk registers prepared by each portfolio company provide the basis for an aggregation process, which summarises the principal risks and uncertainties facing the Company as a whole.

