



AUDIT COMMITTEE CHARTER FOR SHANG PROPERTIES, INC. AND ITS SUBSIDIARIES or SPI

I. ORGANIZATION

This Charter governs the function of the Audit Committee (the "Committee") of Shang Properties, Inc. (the "Company"). The Committee shall be appointed by the Board and shall be composed of at least three (3) appropriately qualified non-executive directors of the board; majority of whom including the Chairman shall be independent. At least one (1) of the members, or a majority of the members, where possible, shall have the relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the board or any other committees. Each member shall have adequate understanding at the least or competence at the most of the company's financial management systems and environment.

The members of the Committee shall serve until their successors shall be duly elected and qualified. Unless a chairperson is elected by the Board, the members of the Committee may designate a chairperson by majority vote of the full Committee membership. The Chairperson will chair all regular sessions of the Committee and set the agenda for the Committee meetings.

II. PURPOSE

The Audit Committee shall provide assistance to the board of directors in fulfilling its general oversight responsibility to the Company and to its shareholders, potential shareholders, the investment community, and others relating to:

- (i) The integrity of the Company's accounting and financial reporting practices and internal controls, the financial statements and reports of the Company and the Company's internal and external audit practices.
- (ii) The Company's compliance with legal and regulatory requirements.
- (iii) The external auditor's qualifications and independence; and
- (iv) The performance of the Company's internal audit function and external auditors.

III. MEETINGS

The Committee will meet at least four times annually, or more frequently as their responsibilities dictate. To maintain free and open communication, the Audit Committee shall meet with the board at least every quarter without the presence of the CEO or other management team members and periodically meet with the head of the internal audit and the external auditor.

The Committee may also call private sessions with any employee, auditor, or adviser as needed.



IV. RESPONSIBILITIES AND DUTIES

The Audit Committee shall be responsible for overseeing the senior management in establishing and maintaining adequate, effective and efficient governance, risk management and internal control framework. It shall ensure that systems and processes are designed to provide reasonable assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations and safeguarding of assets.

In discharging its oversight role, the Committee is empowered to study or investigate any matter or concern brought to its attention that it deems appropriate. The Committee shall be given full access to the Company's internal audit group, management, personnel, external auditors, books, records and facilities as necessary to carry out these responsibilities and the power to retain at the expense of the Company independent outside counsel or other experts or advisers as it is necessary to carry out its duties.

While the Committee has the responsibilities and powers set forth in this charter, it is the Management who is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies, along with the maintenance of effective internal controls over financial reporting. The external auditors are responsible for auditing the Company's financial statements, expressing an opinion on management's assessment that the company maintained effective internal controls over financial reporting.

As a guide, the following sections of this charter set forth the responsibilities and duties of the Committee.

Internal Audit

- (i) Establish and identify the reporting line of the Internal Audit Department to enable them to properly fulfill their duties and responsibilities. For this purpose, the Internal Audit Department shall directly report to the Audit Committee.
- (ii) Perform oversight functions over the Corporation's Internal Auditors. The Audit Committee shall ensure the independence of internal auditors, and that they are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit function.
- (iii) Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- (iv) Review the internal audit function's charter with the internal audit head to consider changes affecting the organization and approve the internal audit charter periodically.
- (v) Approve the risk-based internal audit plan.
- (vi) Review and discuss with management and internal auditors the responsibilities, budget and staffing of the Company's internal audit function, including the Company's annual audit plan, activities, audit scope, frequency, status of activities, significant findings, recommendations and management response.
- (vii) Oversee the Internal Audit Department and recommend the appointment and/or grounds for approval, retention (and termination, as the case may be) of the internal audit head. The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services.
- (viii) Review the internal audit head's performance.



- (ix) Receive communications from the internal audit head about the internal audit function including its performance relative to its plan.
- (x) Through the Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Adequately designed internal control procedures and processes that will provide a system of checks and balances shall be placed in order to (i) safeguard the Corporation's resources and ensure their effective utilization, (ii) prevent occurrence of fraud and other irregularities, (iii) protect the accuracy and reliability of the Corporation's financial data, (iv) ensure compliance with applicable laws and regulations, and (v) emerging risks are reviewed and managed.
- (xi) Review and monitor management's responsiveness to the internal audit department's findings and recommendations.
- (xii) Ensure a quality assurance and improvement program has been established and review the results annually.
- (xiii) Make due/proper inquiries of senior management and the internal audit head to determine whether scope or resource limitations are appropriate.

External Audit/ Financial Reporting

Strengthen external auditor's independence and improve audit quality:

- (i) Recommend to the board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Securities and Exchange Commission, who undertakes an independent audit of the Corporation, and provides objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. For removal of the external auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Corporation's website and required disclosures.
- (ii) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
- (iii) Perform oversight functions over the Corporation's External Auditors. The Audit Committee shall ensure the independence and objectivity of external auditors, and that they are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.
- (iv) Review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Committee shall review, at least annually, the performance, suitability and effectiveness of the external auditors.
- (v) Evaluate and determine the non-audit work, if any, of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report.



- (vi) Review and approve the Interim and Annual Financial Statements of the Corporation before their submission to the board with particular focus on the following:
- Any change/s in accounting policies and practices
 - Areas where a significant amount of judgement has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements; and
- (vii) Review the disposition of the recommendations in the External Auditor's management letter.

Legal/Compliance

- (i) Coordinate, monitor and facilitate compliance with laws, rules and regulations
- (ii) Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements or operations.
- (iii) Review and investigate any matters pertaining to the integrity of management, including conflicts of interest.
- (iv) Prepare all reports required for it to be included in the Company's proxy statement, pursuant to and in accordance with applicable rules and regulations of the Securities and Exchange Commission.

Risk Management and/or Related Party Transactions

- (i) Perform the functions of the Board Risk Oversight Committee and/or Related Party Transactions Committee.
- (ii) Oversee the Enterprise Risk Management (ERM) process which considers emerging risks such as cybersecurity, IT governance, data privacy compliance, AI governance risks, environmental, sustainability and governance (ESG) reporting accuracy and assurance, related and/or third-party risk and business continuity, resilience and disaster recovery capabilities.

Board Reporting

- (i) Report regularly to the board and maintain minutes or other records of meetings and activities of the Committee
- a. with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the performance and independence of the Company's external auditors or the performance of the internal audit function; and
 - b. with respect to such other matters that are relevant to the Committee's discharge of its responsibilities.

V. ANNUAL PERFORMANCE EVALUATION


The Committee shall perform a review and evaluation, at least annually, of its performance and its members, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess the adequacy of this Charter at least annually and recommend to the board any changes in the Charter that the Committee considers necessary.

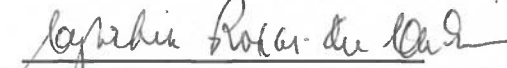


Approved by:

THE AUDIT COMMITTEE


BENJAMIN IVAN S. RAMOS
Chairman


MAXIMO G. LICAUCO III
Member


CYNTHIA R. DEL CASTILLO
Member

Date Approved: December 10, 2025
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