These Terms of Reference are prepared in English. In the event that there is any discrepancy or inconsistency between the English version and the Chinese version, the English version shall prevail.

MEDICSKIN HOLDINGS LIMITED
密迪斯肌控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8307)

AUDIT COMMITTEE
TERMS OF REFERENCE
(Effective on 22 June 2026)

1. Establishment

1.1 The Audit Committee (the "**Committee**") is established by Medicskin Holdings Limited ("the "**Company**").

1.2 Subject to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**GEM Listing Rules**") and the articles of association of the Company, the procedures of the Committee shall be regulated by the provision of this set of terms of reference (the "**Terms of Reference**").

2. Membership

2.1 The Committee shall be appointed by the board of directors (the "**Board**") from amongst the non-executive directors of the Company 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 5.05(2) of the GEM Listing Rules.

2.2 The majority of the Committee members should be independent non-executive directors of the Company.

2.3 The chairman of the Committee must be an independent non-executive director.

2.4 The quorum of the Committee meeting shall be two members.

2.5 A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Committee for a period of two years from the date, whichever is later, of his ceasing: -

(a) to be a partner of the firm; or

(b) to have any financial interest in the firm.

2.6 A member who wishes to retire or resign from the Committee should provide notice to the Company so that a replacement may be appointed before he leaves.

3. Casting vote

3.1 In the case of an equality of votes at a meeting of the Committee, the chairman of the meeting shall have the casting vote.

4. Authority, Duty, Powers and Discretion

The responsibility of the Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting and internal control system. The Committee shall have the following authority, duties, powers and discretion:

Authority

4.1 The authority of the Committee is derived from the Board therefore the Committee is obliged to report to the Board on its decisions or recommendations, unless there are legal or regulatory restrictions on its ability to do so.

4.2 The Committee is authorized by the Board to investigate any activity within the scope of these terms of reference and shall be provided with sufficient resources to perform its duties. It is authorized to seek any information it requires from any employee of the Company and its subsidiaries (collectively referred to as the "**Group**") and members of the Board in order to perform its duties and all employees of the Group and members of the Board are directed to co-operate with any request made by the Committee within the scope of these terms of reference.

4.3 The Committee has the authority to exercise the following powers:

(i) to monitor whether the Group's management has, in the performance of its duties, infringed any policies set by the Board or any applicable law, regulation and code (including the GEM Listing Rules and other rules and regulations from time to time laid down by the Board or a committee thereof);

(ii) to investigate all suspected fraudulent acts involving the Group and request the management of the Group to make investigation and submit reports;

(iii) to review the Group's internal control procedures and system and to make recommendations to the Board for the improvement of the Group's internal control procedures and system;

(iv) to review the performance of the Group's employees in the accounting and internal audit department; and

(v) to request the Board to take all necessary actions, including convening a special general meeting, to replace and dismiss the auditors of the Group;

Duty

Appointment of the Company's auditor

4.4 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;

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

4.6 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;

4.7 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; and

4.8 to discuss problems and reservations arising from the quarterly (if any), interim and final audits or reviews any matters the external auditor may wish to discuss (in the absence of the Board and other employees of the Group at the discretion of the Committee where necessary);

Review of the Company's financial information

4.9 to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and 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;

(vi) compliance with the GEM Listing Rules and legal requirements in relation to financial reporting;

(vii) any connected transactions and their impact on the profitability of the Company;

(viii) items requiring disclosure; and

(ix) the cash flow position.

4.10 Regarding 4.9 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 auditor;

(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 auditor; and

(iii) in reviewing the financial statements and reports of the Group, the Committee may rely on the expertise and information provided by the external auditor and the management of the Group.

Overseeing of the Company's financial reporting system, risk management and internal control procedures

4.11 to review the Company's financial controls, risk management and internal control systems;

4.12 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;

4.13 to 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;

4.14 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;

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

4.16 to review the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response;

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

4.18 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 and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

4.19 to report to the Board on the matters in the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules;

4.20 to report to the Board on the matters set out in the Terms of Reference;

4.21 to consider other topics, as defined by the Board; and

4.22 to 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 and anonymity, with the Committee about possible improprieties in any matter related to the Company.

5. Disagreement as to appointment of external auditor

5.1 Where the Board disagrees with the Committee's view on the selection, appointment, resignation or dismissal of the external auditor, the Committee should include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reasons(s) why the Board has taken a different view.

6. Administration

6.1 The Committee shall hold at least four meetings each financial year. The meeting may be held by means of a conference telephone or other communication facility.

6.2 The meetings and proceedings are governed by the provisions contained in the articles of association of the Company for regulating the meetings and proceedings of directors.

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

6.4 The Committee may invite executive directors and external auditors to attend the Committee meeting.

6.5 The chief financial officer, the head of internal audit of the Company and a representative of the external auditors shall normally attend meetings of the Committee.

6.6 Reasonable notice of each meeting confirming the venue, time, and date shall be given to each member of the Committee. An agenda and accompanying papers shall be sent in full to all members of the Committee in a timely manner and at least 3 days before the intended date of the meeting of the Committee (or such other period as agreed by its members).

7. Reporting

7.1 The chairman of the Committee should attend the annual general meeting. In his absence, he should invite another member of the Committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

7.2 The Committee shall report to the Board on its decision or recommendations on a regular basis.

7.3 The company secretary of the Company shall keep full minutes of all Committee meetings. Draft and final versions of minutes of meetings shall be sent to all Committee members for their comments and records within a reasonable time after the meeting.

7.4 The company secretary of the Company shall circulate the minutes of meetings of the Committee to all members of the Board, unless a conflict of interest exists or there are legal or regulatory restrictions on its ability to do so.

8. Disclosure

8.1 The Committee shall make available the Terms of Reference on the website of the Stock Exchange and the Company's websites explaining the role of the Committee and the authority delegated to it by the Board.