天安卓健有限公司
TIAN AN MEDICARE LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 383)
(the "Company")

TERMS OF REFERENCE

OF

AUDIT COMMITTEE

Membership

1. The members of Audit Committee shall be appointed by the board of directors (the "Board") from amongst the Non-Executive Directors and shall consist of not less than three members (majority of the members should be Independent Non-Executive Directors of the Company ("INED(s)")) 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 on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. The chairman of the Audit Committee should be an INED appointed by the Board.

3. A former partner of the Company's existing auditing firm should be prohibited from acting as a member of Audit Committee for a period of two years from the date of his/her ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is the later.

4. The company secretary of the Company (the "Secretary") should be the secretary of the Audit Committee.

Frequency and Proceedings of Meetings of the Audit Committee

5. Meetings should be held not less than twice a year. The external auditors may request a meeting if they consider that one is necessary. Additional meetings shall be held as the work of the Audit Committee demands.

6. The quorum for all Audit Committee meetings shall be two members.

7. Private meeting may be held by the Audit Committee each year with the external auditors without any executive directors being present. A private meeting with the executive directors in the absence of the external auditors may be held if necessary.

8. A resolution in writing signed by all members of the Audit Committee shall be as valid and effective as if it has been passed at a meeting of the Audit Committee duly convened and held and may consist of several documents in like form each signed by one or more of the members of the Audit Committee.

9. The members of the Audit Committee shall attend the meetings in person or by means of telecommunication, including but not limited to telephone or video conference, or similar communication equipment by means of which all persons participating in the meeting are capable of hearing each other.

10. Proceedings of meetings of the Audit Committee shall be governed by the Bye-Law 126 of Bye-Laws of the Company.

Authority of the Audit Committee

11. The Audit Committee should be authorized by the Board to investigate any activity within its terms of reference. It should be authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

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

13. The Audit Committee is to be provided with sufficient resources to discharge its duties and should be authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Responsibility of the Audit Committee

14. The principal responsibility of the Audit Committee is to assist the Board to establish formal and transparent arrangements to consider how it will apply financial reporting, risk management and internal control principles and maintaining an appropriate relationship with the Company's external auditors.

15. The Audit Committee should satisfy itself that all key areas of risk to the business are properly addressed by external auditors. This may involve reviewing the current year's audit plan and discussing it with the external auditors, together with following up on the resolution of prior year issues.

16. The Audit Committee should also monitor the quality of the service provided by the external auditors and the reasonableness of their fees.

Duties, Powers and Functions of the Audit Committee

17. The duties of the Audit Committee shall be :-

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;

(c) to discuss with the external auditors the nature and scope of audit, reporting obligations before the audit commences;

(d) 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 Audit 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

(e) 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 Audit Committee should focus particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgemental areas;

(iii) significant adjustments resulting from the audit;

(iv) the going concern assumption and any qualifications;

(v) compliance with accounting standards; and

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

(f) Regarding to (e) above

(i) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and

(ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports 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, Risk Management and Internal Control Systems

(g) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;

(h) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective risk management and internal control 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;

(i) to consider major investigations findings on internal control and risk management matters as delegated by the Board or on its own initiative and management's response to these findings;

(j) 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;

(k) to review the Group's financial and accounting policies and practices;

(l) 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 risk management and control and management's response;

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

(n) to report to the Board on the above matters;

(o) to consider other topics, as defined by the Board;

(p) to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions; and

(q) to act as the key representative body for overseeing the Company's relations with the external auditor.

Reporting Procedure

18. The Audit Committee should report to the Board on a regular basis. At the next meeting of the Board following a meeting/written resolution of the Audit Committee, the chairman of the Audit Committee shall report to the Board on the findings and recommendations of the Audit Committee.

If there is any inconsistency between the English and Chinese versions of this Term of Reference, the English version shall prevail.

Updated as of 1 August 2025