Cowell e Holdings Inc.
高偉電子控股有限公司
(the "**Company**")
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1415)

AUDIT COMMITTEE TERMS OF REFERENCE

(Adopted by the Board on February 4, 2015 and revised on January 24, 2019, December 29, 2022 and 21 August 2025)

1 Constitution

The board of directors of the Company (the "**Board**") constituted and established an audit committee (the "**Audit Committee**") on 4 February 2015. The terms of reference including but not limited to the authority, responsibility, and specific duties of the Audit Committee are described below.

2 Membership

2.1 The Audit Committee shall be appointed by the Board and shall consist of not less than three (3) members comprising non-executive directors of the Company only.

2.2 The majority of the members of the Audit Committee shall be independent non-executive directors of the Company and at least one (1) of whom is an independent non-executive director 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 of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2.3 The Audit Committee shall be chaired by an independent non-executive director of the Company (the "**Chairman**").

2.4 The quorum for a meeting of Audit Committee shall be two (2) members, one (1) of whom shall be an independent non-executive director of the Company. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee. Members should attend the meetings either in person or through electronic means of communication, including but not limited to telephone or tele-conferencing.

2.5 A former partner of the Company's existing auditing firm shall be prohibited from acting as a member of the Audit Committee for a period of two (2) years from the date of the person ceasing:

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

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

whichever is later.

3 Secretary

The company secretary of the Company or his/her nominee shall be the secretary of the Audit Committee.

4 Authority

4.1 The Audit Committee is granted the authority to act within these terms of reference. The Audit Committee is authorised to seek any information it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Audit Committee.

4.2 The Audit Committee is authorised by the Board, at the Company's expense but subject to prior discussion with the Board on costs, to obtain outside legal or other independent professional advice as necessary to assist the Audit Committee if it considers necessary.

4.3 The Audit Committee shall be provided with sufficient resources to perform its duties.

5 Duties

The duties of the Audit Committee include:

Relationship with the Company's auditors

5.1 to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of its resignation or dismissal;

5.2 to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;

5.3 to develop and implement policy on engaging external auditors 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

5.4 to monitor integrity of the financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee shall focus particularly on:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumptions and any qualifications;

(e) compliance with accounting standards; and

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

5.5 in regard to paragraph 5.4 above:

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

(b) 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

5.6 to review the Company's financial controls, risk management and internal control systems at least annually;

5.7 to discuss and review the risk management and internal control systems at least annually 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 programs and budget of the Company's accounting and financial reporting function;

5.8 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;

5.9 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;

5.10 to review the financial and accounting policies and practices of the Company and its subsidiaries;

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

5.12 to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;

5.13 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 shall ensure that proper arrangements are in place for the fair and independent investigation of these matters and for appropriate follow-up action;

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

5.15 to establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company;

5.16 to establish and review the anti-corruption policy and system of the Company and its subsidiaries (the "**Group**"), which are included in the Group's Code of Conduct, and to ensure that the Group's anti-corruption policy and system remain adequate of any applicable legislation including but not limited to the Prevention of Bribery Ordinance in Hong Kong and relevant laws and regulations on anti-corruption and bribery in China;

5.17 to report to the Board on the matters stated herein above; and

5.18 to consider other topics, as defined by the Board from time to time.

6 Notice of Meetings

6.1 A meeting of the Audit Committee may be convened by any of its members through the company secretary of the Company.

6.2 For regular meetings and as far as practicable for all other meetings, an agenda and accompanying documents should be sent to all members of the Audit Committee in a timely manner and at least three (3) days before the intended date of meeting (or such other period as the members may agree).

7 Frequency and Proceedings of Meetings

7.1 The Audit Committee shall meet at least twice a year, or at such frequency as required under the Listing Rules or other regulatory requirements applicable to the Company from time to time.

7.2 The Chairman may convene additional meetings at his discretion.

7.3 The external auditors may request a meeting if they consider to be necessary.

8 Reporting Procedures

8.1 The Audit Committee shall report to the Board the findings and recommendations after each meeting of the Audit Committee, unless there are legal or regulatory restrictions on its ability to do so.

8.2 Where the Board disagrees with the Audit 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 Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.

9 Minutes

9.1 Minutes of the Audit Committee should be kept by a duly appointed secretary of the meeting and should be open for inspection at any reasonable time on reasonable notice by any director.

9.2 Minutes of Audit Committee meetings shall record in sufficient detail the matters considered by the Audit Committee members and decisions reached, including any concerns raised by the Audit Committee members and dissenting views expressed. Draft and final versions of minutes of meeting of the Audit Committee shall be sent to all members of the Audit Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

10 General

10.1 These terms of reference shall be updated and revised as and when necessary in light of changes in circumstances and changes in regulatory requirements, including those under the Listing Rules.

10.2 The Audit Committee should make available these terms of reference to the public, explaining its role and the authority delegated to it by the Board, by including them on the Hong Kong Exchanges and Clearing Limited news website (www.hkexnews.hk) and the Company's website (www.cowelleholdings.com).

Note: If there is any inconsistency between the English and the Chinese versions of these Terms of Reference, the English version shall prevail.