RAYMOND INDUSTRIAL LIMITED

(the "**Company**")

TERMS OF REFERENCE
OF
AUDIT COMMITTEE

(As adopted by the Board on 30 March 2012, amended with effect from 30 December 2015 and further amended with effect from 7 November 2025)

CONSTITUTION

1. The audit committee (the "**Audit Committee**") is established pursuant to the resolutions passed by the board of directors of the Company (the "**Directors**" and the "**Board**", respectively) at its meeting held on 30 March 2012.

AUTHORITY

2. The Audit Committee shall have unrestricted access to other members of the Board, senior management, the qualified accountant, internal controller and external auditors in execution of its duties and responsibilities within its terms of reference. All relevant employees will be directed to co-operate with any request made by the Audit Committee.

3. The Audit Committee is authorised to obtain independent professional advice, in accordance with the procedures adopted by the Company from time to time and to secure the attendance of any external professional with relevant experience and expertise if necessary. The Audit Committee should be provided with sufficient resources to perform its duties.

4. The Audit Committee is authorised to consider the selection, appointment, resignation or dismissal of the external auditors. Where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the issuer 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.

MEMBERSHIP

5. The members of the Audit Committee shall be appointed by the Board and the Audit Committee must comprise non-executive Directors only.

6. The Audit Committee must comprise a minimum of three members, at least one of whom is an independent non-executive Director (the "**INEDs**") with appropriate professional qualifications or accounting or related financial management expertise as required in Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The majority of the Audit Committee members must be INEDs.

7. The Audit Committee must be chaired by an INED.

8. A former partner of the Company's existing auditing firm should be prohibited from acting as a member of the Audit Committee for a period of two 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.

9. The appointment of the members of the Audit Committee may be revoked or replaced and additional members may be appointed to the Audit Committee by resolutions passed by the Board. An appointment of a member of the Audit Committee shall be automatically revoked if such member ceases to be a non-executive Director.

10. The company secretary of the Company shall be the secretary of the Audit Committee. The secretary of the Audit Committee or in his/her absence, his/her representative or any one member of the Audit Committee, shall be the secretary of the meetings of the Audit Committee.

RESPONSIBILITIES

11. The responsibilities of the Audit Committee should include the following:

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. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences. The Audit Committee shall meet the external auditor, where appropriate, without the management being present, to discuss their audit fees and any issues arising from audit;

(c) 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;

(d) to act as the key representative body for overseeing the Company's relationship with the external auditor;

Review of the Company's financial information

(e) to monitor the 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 judgments contained in them before submission to the Board, focusing particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental areas;

(iii) significant adjustments resulting from the audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

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

Regarding (e) above, (1) the 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 external auditor; and (2) 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

(f) 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;

(g) 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;

(h) 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;

(i) 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 the effectiveness of the internal audit function;

(j) to review the financial and accounting policies and practices of the Company and its subsidiaries;

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

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

(m) to report to the Board on any matters above;

(n) to consider other topics, as requested by the Board;

(o) 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. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and

(p) 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, with the Audit Committee about possible improprieties in any matter related to the Company.

MEETINGS

12. Meetings of the Audit Committee shall be held not less than two times a year. The Audit Committee shall meet, at least twice a year, with the Company's external auditor. The external auditor may request a meeting if they consider that is necessary.

13. A quorum of the meeting of the Audit Committee shall be two Audit Committee members.

14. Resolutions of the Audit Committee at any meeting shall be passed by a majority of votes of members if more than two members are present and by a unanimous vote if only two members are present. In case of an equality of vote, the chairman of the Audit Committee shall have a second or casting vote.

AUDIT COMMITTEE'S RESOLUTIONS

15. A resolution in writing signed by all the members of the Audit Committee shall be as valid and effective as if it had been passed at a meeting of the Audit Committee and may consist of several documents in like form each signed by one or more of the members of Audit Committee. Such resolution may be signed and circulated by facsimile or other forms of electronic communications. This provision is without prejudice to any requirement under the Listing Rules for a meeting of the Board or the Audit Committee to be held.

REPORTING PROCEDURES

16. (a) The Audit Committee shall report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken. At the next meeting of the Board following a meeting of the Audit Committee, the chairman of the Audit Committee shall report their decisions and recommendations of the Audit Committee to the Board.

(b) Full minutes of meetings of the Audit Committee shall be kept by the secretary of the Audit Committee. Draft and final versions of minutes of the meetings of the Audit Committee shall be sent to all members of the Audit Committee for their comment and records, in both cases within a reasonable time after each meeting.

(c) Copies of the minutes of meetings of the Audit Committee shall be provided to the Board at its meetings.

(d) The Audit Committee shall make available at least one of its members to attend the Company's annual general meeting to answer shareholders' questions about audit issues.

REVISION OF THE TERMS OF REFERENCE

17. 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 but not limited to the Listing Rules.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.