China Vered Financial Holding Corporation Limited

中薇金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 245)

TERMS OF REFERENCE OF AUDIT COMMITTEE
(amended and effective on 19 December 2025)

A. Composition of Audit Committee

The Audit Committee of China Vered Financial Holding Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**") shall be appointed by the board of directors of the Company (the "**Board**"). The Audit Committee must comprise only non-executive directors and a minimum of 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 under the Listing Rules. The majority of the Audit Committee members must be independent non-executive directors of the Company. The Audit Committee must be chaired by an independent non-executive director of the Company.

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 to be a partner of the firm or to have any financial interest in the firm, whichever is the later.

The company secretary of the Company or his or her delegate or such other person appointed by the chairman of the Audit Committee (the "**Chairman**") shall be the secretary of the Audit Committee.

B. Objectives

The objectives of the Audit Committee are:

1. to review the scope and work of the external auditors to ensure that it is cost effective, impartial and independent. Where the external auditors also provide "non-audit" services, the Audit Committee shall monitor them to ensure that such "non-audit" work does not impair the independence and objectivity of the auditor;

2. to ensure that the Board presents a balanced, clear and comprehensive assessment of the Company's performance, position and prospects including such presentation in the annual and interim reports, other price sensitive announcements and other financial disclosures required under the Listing Rules and reports to regulators and information disclosed under statutory requirements; and

3. to assist the Board in overseeing the integrity and effectiveness of the Company's Environmental, Social and Governance (ESG) strategy, disclosures, and compliance with applicable ESG-related legal and regulatory requirements.

C. Meeting

The Audit Committee shall meet at least twice a year.

The Audit Committee may, from time to time, invite any Board member or officer or any other person to attend any of its meeting so as to ensure that the Audit Committee better performs its duties and obligations.

A meeting (the "**Meeting**") of the Audit Committee shall be chaired by the Chairman. In the absence of the Chairman at the Meeting, the members present may elect one member among themselves to chair the Meeting. The quorum for each Meeting shall be two (2) members.

Meetings may be held with members attending in person, by telephone or by video conference. Members can attend the Meeting via telephonic or any similar communication device.

The secretary of the Audit Committee shall be in attendance at each Meeting and shall record the proceedings of the Meeting. The secretary of Audit Committee shall circulate the draft and final versions of the minutes of Meetings of the Audit Committee and relevant papers (if any) to all members for comment (if any) and records within a reasonable time after each Meeting. All minutes shall record in sufficient detail the matters considered, decisions reached, recommendations made by the Audit Committee and any other concerns including dissenting views of the Audit Committee. Full minutes of Meetings should be kept by the secretary of the Audit Committee.

Decisions of the Audit Committee shall be determined by simple majority of the members present, with each member entitled to one vote, and in the event of a tie, the chairman of the Meetings shall be entitled to a second or casting vote.

A resolution in writing signed by all the members of the Audit Committee shall be as valid as if it has been passed at a Meeting duly convened and held.

D. Duties and Authority

The following are the main duties and responsibilities of the Audit Committee. These are not exhaustive and can be augmented with the approval of the Board:

Relationship with external auditor

1. to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

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

3. 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

4. to monitor the integrity of the Company's financial statements and the annual report and accounts, half-year report and, if prepared for publication, quarterly report, and to review significant financial reporting judgements contained in them. In reviewing these reports or statements before submission to the Board, the Audit 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; and

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

5. regarding 4 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 external auditor; and

   (ii) the Audit 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 auditors;

Oversight of the Company's financial reporting, risk management and internal control systems

6. 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;

7. to discuss the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective systems including the adequacy of resources, staff qualifications and experience, training programmes, budget of the Company's accounting and financial reporting function, the ESG-related controls and procedures, climate-related risks, and social impact considerations;

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;

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 monitor and review its effectiveness;

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

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

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

13. to report to the Board on the matters set out in the Corporate Governance Code (as amended from time to time) in Appendix C1 of the Listing Rules;

14. 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 ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow up action;

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

16. where necessary, 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 Audit Committee about possible improprieties in any matter related to the Company;

Environmental, social and governance (ESG) oversight

17. to review and assess the adequacy and effectiveness of the Company's ESG governance structures and ESG-related policies;

18. to review the ESG-related disclosures for the compliance of the applicable legal and regulatory requirements;

19. to evaluate the Company's ESG risk management framework and monitor its integration with the enterprise risk management process; and

20. to perform other duties and powers as assigned by the Board to the Audit Committee.

E. Resources

The Audit Committee should be provided with sufficient resources to perform its duties. The Audit Committee should have access to outside legal or other independent professional advice in connection with its duties at the Company's expense if necessary.

F. Reporting

The Audit Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

Should there be any inconsistency between the English and Chinese versions of the above terms of reference, the English version shall prevail. These terms of reference shall take effect upon approval by the Board, and shall be updated and revised as and when appropriate in light of changes in circumstances and regulatory requirements (including but not limited to the Listing Rules).