



Wasion Holdings Limited
威勝控股有限公司

(incorporated in the Cayman Islands with limited liability)

(the “Company”)

AUDIT COMMITTEE

Terms of Reference

Constitution

1. The audit committee (the “**Audit Committee**”) of the board of directors of the Company (the “**Board**”) was established on 26 November, 2005. The terms of reference of the Audit Committee have been revised and approved by the Board on 15 May 2026.

Membership

2. The members of the Audit Committee shall be appointed by the Board from amongst the non-executive directors of the Company and the Audit Committee shall consist of not less than three members, at least one of whom, shall be 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 on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). A quorum of a meeting of the Audit Committee shall be two members.
3. The majority of the Audit Committee must be independent non-executive directors of the Company.
4. The Audit Committee must be chaired by an independent non-executive director of the Company.

Attendance at meetings

5. The chief financial officer and/or the head of internal audit (if any), and a representative of the external auditors shall normally attend meetings of the Audit Committee. Other Board members shall also have the right of attendance. The other Board members’ said right of attendance, however, is subject to the requirement that the Audit Committee shall meet at least twice a year with the external auditors without executive Board members present.
6. The company secretary of the Company shall be the secretary of the Audit Committee.

Frequency of meetings

7. Meetings of the Audit Committee shall be held not less than twice a year. The external auditors may request a meeting if they consider that one is necessary.

Authority

8. The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Company and its subsidiaries (together, the “**Group**”) and all employees of the Group are directed to co-operate with any request made by the Audit Committee.
9. The Audit Committee is 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.

Duties

10. The duties of the Audit Committee shall include, but shall not be limited to the following:
 - (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment 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;
 - (b) to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
 - (c) to discuss with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and ensure co-ordination where more than one audit firm is involved;
 - (d) to develop and implement policy on engaging an external auditor to supply non-audit services. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
 - (e) to monitor the integrity of financial statements of the Company and the 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 judgmental areas;
 - (iii) significant adjustments resulting from the audit;

- (iv) the going concern assumptions and qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting.
- (f) regarding paragraph (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 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;
- (g) to review the Company's financial controls, internal control and risk management systems;
- (h) to discuss the internal control and risk management systems with management to ensure that the management has performed its duty to have effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting function of the Company;
- (i) to consider major investigation findings on internal control and risk management matters as delegated by the Board or on its own initiative and management response; findings of internal investigations 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 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 accounting records, financial accounts or systems of 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 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;

- (o) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (p) to report to the Board on the matters set out in the Corporate Governance Code in Appendix C1 to the Listing Rules;
- (q) to establish a whistle blowing 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; and
- (r) to consider and implement other matters, as defined by the Board or otherwise required by the Listing Rules from time to time.

Report procedures

11. The secretary shall circulate the minutes of meetings of the Audit Committee to all members of the Board.

Remark: The Audit Committee should refer to "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants in February 2002 and "Principles of Auditor Independence and the Role of Corporate Governance in Monitoring an Auditor's Independence" issued by the Technical Committee of the International Organization of Securities Commission in October 2002 whenever necessary.