VESON HOLDINGS LIMITED
鋭信控股有限公司

(*Incorporated in the Cayman Islands with limited liability*)
(**Stock Code: 01399**)

Terms of Reference for Audit Committee

Purpose

1. The purpose of the Audit Committee is to assist the board of directors (the "**Board**") of Veson Holdings Limited (the "**Company**") in considering how the Board should apply financial reporting principles and for maintaining an appropriate relationship with the Company's auditors.

Membership

2. The Audit Committee shall comprise a minimum of three members consisting of non-executive directors only and a majority of which must be independent non-executive directors of the Company. The Audit Committee must have at least one independent non-executive director who has appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (as amended from time to time).

3. The chairman of the Audit Committee ("**Committee Chairman**") shall be appointed by the Board and must be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Meetings

4. The Audit Committee shall meet at least twice annually or more frequently if circumstances require and may act by unanimous written consent. The Board, any Audit Committee member and the external auditors may request a meeting if they consider that one is necessary.

5. Only members of the Audit Committee shall have the right to attend Audit Committee meetings. However, other individuals of the Company such as the financial director of the Company, the head of internal auditor and a representative of the external auditors may be invited to attend all or part of any meeting as and when appropriate. Other Board members shall also have the right of attendance. However, at least once a year the Audit Committee shall meet with the external and internal auditors without executive Board members present.

6. The company secretary of the Company (the "**Company Secretary**") or his/her nominee shall be the secretary of the Audit Committee.

7. A quorum necessary for decision of the Audit Committee shall be two members. 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.

Minutes

8. Full minutes of the Audit Committee meetings should be kept by the Company Secretary. Draft and final versions of minutes of the meetings should be sent to all members of the Audit Committee for their comment and records within a reasonable time after the conclusion of any meeting of the Audit Committee.

Authority

9. 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 and all employees will be directed to co-operate with any request made by the Audit Committee.

10. The Audit Committee should be provided with sufficient resources to perform its duties. The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice on any matter within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Audit Committee if it considers necessary.

Duties

11. The duties of the Audit Committee shall 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;

(c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, an "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

(d) to monitor integrity of the Company's financial statements and annual report and accounts, half-yearly 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 any qualifications;

  (v) compliance with accounting standards; and

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

(e) regarding (d) 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 or more frequently, 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 report and accounts. It should give due consideration to any matters that have been raised by the Company's staff responsible for the Company's accounting and financial reporting function, compliance officer or auditors;

Oversight of the Company's financial reporting system

(f) to review the Company's financial controls, which includes approving the internal audit plan, reviewing the findings of internal audit work and reviewing the annual and interim financial statements and nature, scope and reports of the external auditor;

(g) 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 the appropriate standing within the Company, and to review and monitor its effectiveness;

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

(i) 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;

(j) to ensure that the Board will provide a timely response to the issues raised by external auditors in their management letter;

(k) to report to the Board on the matters set out above; and

(l) to consider other topics, as defined by the Board.

Relationship with the employees and those who deal with the Company

(m) 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 to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

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

(o) to review ongoing connected transactions of the Company and ensure compliance with terms of approval by shareholders of the Company; and

(p) to consider such other matters as the Board may from time to time determine.

Adopted by the Board on 26 March 2012, revised on 23 February 2016 and further revised on 16 October 2018 and 2 June 2026.