Fameglow Holdings Limited
亮晴控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3774)

(the "Company")

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

(Revised and adopted by the Board on 29 June 2026 and effective on 30 June 2026)

1. CONSTITUTION

1.1 The audit committee of the Company ("**Audit Committee**") is established pursuant to a resolution passed by the Company's board of directors (the "**Board**") at its meeting held on 21 September 2018 and has adopted the following terms as the term of reference for the committee.

2. MEMBERSHIP

2.1 Members of the Audit Committee ("**Members**") shall be appointed by the Board and must consist of a minimum of three Members.

2.2 Membership shall be confined to non-executive directors only. The majority of the Audit Committee must be independent non-executive directors of the Company ("**INEDs**") and at least one INED must be 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 Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2.3 The chairman of the Audit Committee shall be appointed by the Board and must be an INED.

2.4 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 years commencing (i) the date of his/her ceasing to be a partner of the firm; or (ii) the date of his/her ceasing to have any financial interest in the firm; whichever is later.

3. SECRETARY

3.1 The company secretary of the Company (the "**Company Secretary**") shall be secretary of the Audit Committee. In the absence of the Company Secretary, his/her delegate(s) or any person elected by the Members present at the meeting of the Audit Committee shall attend the meeting of the Audit Committee and take minutes.

3.2 Notwithstanding any other provisions in these terms of reference, the Audit Committee may from time to time appoint any other person with appropriate qualification and experience as the secretary of the Audit Committee.

4. MEETINGS

Frequency of meetings

4.1 The Audit Committee shall meet at least four times each year. The Company's external auditors may request a meeting if they consider that one is necessary. Additional meetings of the Audit Committee may be held as and when required.

Notice of meetings

4.2 A meeting of the Audit Committee may be convened by any of its Members or by the Company Secretary on request of any of the Members.

4.3 Notice of any meetings, confirming the venue, time and date, has to be given at least 7 days prior to any such meeting being held, unless all Members waive such notice. If a meeting is called by a shorter notice, it shall be deemed to have been duly called if it is so agreed by a majority of the Members. A Member who attends such a meeting shall deem to agree to the shorter notice. Notice of any adjourned meetings is not required if the adjournment is less than 14 days.

4.4 Agenda and accompanying supporting papers shall be sent to all Members and to other attendees as appropriate at least 3 days before the date of the Audit Committee meeting (or such other period as the Members may agree).

4.5 The Audit Committee shall ascertain at the beginning of each meeting the existence of any conflicts of interest and minimise them accordingly.

Quorum

4.6 The quorum of the Audit Committee shall be two Members.

Mode of meetings

4.7 Meetings could be held in person, by telephone or by video conference. Members may participate in a meeting by telephone or through other electronic means of communication provided that all persons participating in the meeting are capable of hearing each other.

Resolutions and minutes

4.8 Resolutions of the Audit Committee at any meetings shall be passed by a majority of votes of the Members present.

4.9 A resolution in writing signed by all the Members shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly convened and held.

4.10 Full minutes of Audit Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary) and shall be available for inspection by any Member and/or any director of the Company at any reasonable time on reasonable notice. Draft and final versions of minutes of Audit Committee meetings should be sent to all Members for their comment and records respectively, in both cases within a reasonable time after the meeting. The final version of the minutes shall be signed by the Chairman of the Audit Committee or the chairman of the Audit Committee meeting as appropriate.

5. ATTENDANCE AND VOTING AT MEETINGS

5.1 At least twice a year, representatives of the Company's external auditors will meet the Audit Committee without any executive directors of the Company being present, except by invitation of the Audit Committee.

5.2 At the invitation of the Audit Committee, the following persons may attend the meeting:

(i) Head of the Company's internal audit function ("**Internal Audit Function**") (if there exists such function) or a representative from Internal Audit Function;

(ii) Group Financial Controller or Head of Accounts Department (or person occupying the same position);

(iii) other members of the Board; and

(iv) other persons.

5.3 Only Members are entitled to vote at the meetings.

6. ANNUAL GENERAL MEETING

6.1 The Chairman of the Audit Committee or a Member (who must be an INED), shall attend the Company's annual general meeting ("**AGM**") and be prepared to respond to questions of the shareholders of the Company ("**Shareholders**") on the Audit Committee's activities and its responsibilities. If the Chairman of the Audit Committee is unable to attend, a Member (who must be an INED) shall attend the AGM. Such person shall be prepared to respond to any Shareholder's questions at the AGM on the Audit Committee's activities.

7. CONTINUING APPLICATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

7.1 The Company's articles of association (as amended from time to time) regulating the meetings and proceedings of all directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Audit Committee.

8. RESPONSIBILITY AND POWERS

The responsibility of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system and internal control procedures; and in reviewing the design and operational adequacy and effectiveness of the Company's risk management and internal control systems and the monitoring results. The Audit Committee shall have the following responsibilities and powers:

Relationship with the Company's auditors

8.1 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 of that auditor;

8.2 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 *Note 1*;

8.3 to develop and implement policy on the engagement of an external auditor to supply non-audit services. For this purpose, ''external auditor'' shall include 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 to be taken;

Review of the Company's financial information

8.4 to review and monitor integrity of the Company's financial statements, annual report and accounts, half-year report and quarterly reports, and to review significant financial reporting judgments 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 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.

8.5 In regard to paragraph 8.4 above:

(i) Members should liaise with the Board and senior management of the Company;

(ii) the Audit Committee must meet, at least twice a year, with the Company's auditors; and

(iii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it must 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

8.6 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;

8.7 to discuss the Company's risk management and internal control systems with the Company's management to ensure that management has performed its duty to have effective internal control 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;

8.8 to review arrangements that 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;

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

8.10 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;

8.11 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;

8.12 to review the group's financial and accounting policies and practices;

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

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

8.15 to establish a whistle blowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) can use, in confidence, to raise concerns about possible improprieties in any matter related to the Company and to ensure that proper arrangements are in place for fair and independent investigation of these matters;

8.16 to report to the Board on the matters in these terms of reference; and

8.17 to consider other topics, as defined by the Board.

9. REPORTING

9.1 The Audit Committee shall report back to the Board after each meeting on all matters within its responsibilities, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

10. AUTHORITY

10.1 The Audit Committee is authorised by the Board to inspect all accounts, books and records of the Company.

10.2 The Audit Committee shall have the right to require the Company's management to furnish information on any matter relating to the financial position of the Company, its subsidiaries or affiliates, as may be required for the purpose of discharging its duties.

10.3 The Audit Committee shall have access to sufficient resources to perform its duties and, where necessary, shall seek independent professional advice *Note 2*, at the Company's expense, to perform its responsibilities.

10.4 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.

10.5 The Audit Committee shall have the power to review the effectiveness of the Group's risk management and internal control systems, and to make recommendations to the Board for improvement in such areas. The review may cover all material controls including financial, operational and compliance controls.

11. PUBLICATION OF THE TERMS OF REFERENCE

11.1 These terms of reference, explaining the role of the Audit Committee and the authority delegated to it by the Board, will be posted on the websites of the Company and The Stock Exchange of Hong Kong Limited.

Notes:

1. (a) The Audit Committee may establish the following procedure to review and monitor the independence of external auditors:

   (i) consider all relationships between the Company and the audit firm (including non-audit services);

   (ii) seek from the audit firm on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those for rotation of audit partners and staff; and

   (iii) meet with the auditor, at least annually, in the absence of management, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditor may wish to raise.

   (b) The Audit Committee may agree with the Board the Company's policies on hiring employees or former employees of the external auditors and monitoring the application of these policies. The Audit Committee should then be in a position to consider whether there has been or appears to be any impairment of the auditor's judgment or independence in respect of the audit.

   (c) The Audit Committee should ensure that an external auditor's provision of non-audit services does not impair its independence or objectivity. When assessing the external auditor's independence or objectivity in relation to non-audit services, the Audit Committee may consider:

   (i) whether the skills and experience of the audit firm make it a suitable supplier of non-audit services;

   (ii) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit because the external auditor provides non-audit services;

   (iii) the nature of non-audit services, the related fee levels and fee levels individually and in total relative to the audit firm; and

   (iv) criteria which govern the compensation of the individuals performing the audit.

   (d) For further guidance, the Company may refer to the "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 Commissions in October 2002 and "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants in February 2002. The Company may also adopt the terms of reference in those guides, or any other comparable terms of reference for establishing an Audit Committee.

2. Arrangement to seek professional advice could be made through the Company Secretary.

If there is any inconsistency between the English and Chinese versions of these terms of reference, the English version shall prevail.