Hong Kong Johnson Holdings Co., Ltd.
香港莊臣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1955)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Definitions

For the purposes of these terms of reference (the "**Terms**"):

"**Audit Committee**" means the audit committee established by resolution of the Board in accordance with clause 2 of these Terms.

"**Board**" means the board of directors of the Company.

"**Chief Financial Officer**" means the senior officer of the Company responsible for financial management as appointed by the Board from time to time.

"**Company**" means Hong Kong Johnson Holdings Co., Ltd.

"**Company Secretary**" means the company secretary or any one of the joint company secretaries of the Company.

"**Directors**" mean the members of the Board.

"**Listing Rules**" means the Rules Governing the Listing of Securities on The Stock Exchange (as amended from time to time).

"**Senior Management**" means the executive Directors and other members of senior management referred to in the Company's most recent annual report and any such other officer of the Company determined by the Board from time to time as senior management of the Company.

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited.

2. Constitution

The Audit Committee was established by resolutions of the Board on 3 September 2019.

3. Membership

3.1 The members of the Audit Committee shall be appointed by the Board from among the non-executive Directors and shall consist of not less than three members, a majority of whom shall be independent non-executive Directors and 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 by the Listing Rules.

3.2 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 from the date of his/her ceasing:

3.2.1 to be a partner of the firm; or

3.2.2 to have any financial interest in the firm,

whichever is later.

3.3 The chairman of the Audit Committee shall be appointed by the Board and shall be an independent non-executive Director.

3.4 The Company Secretary shall be the secretary of the Audit Committee. The Audit Committee may, from time to time, appoint any other person with the appropriate qualification and experience as secretary of the Audit Committee.

4. Attendance at meetings

The Chief Financial Officer, the head of internal audit of the Company and a representative of the external auditors shall normally attend meetings of the Audit Committee. Other members of the Board and any other person may attend the meetings of the Audit Committee at the invitation of the chairman of the Audit Committee. However, the Audit Committee holds at least one meeting annually with the external and internal auditors in the absence of the executive Directors, except by invitation of the chairman of the Audit Committee.

5. Frequency and conduct of meetings

5.1 The chairman of the Audit Committee shall convene a meeting upon the request of any member of the Audit Committee and external auditors. Meetings shall be held not less than twice a year.

5.2 Notice of any meetings shall be given at least 7 working days prior to any such meeting being held, unless all members of the Audit Committee unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a member of the Audit Committee shall be deemed waiver of the requisite length of notice by such member. An agenda and accompanying meeting papers should be delivered in full to all members in a timely manner and at least 3 days before the intended date of a meeting of the Audit Committee (or such other period as agreed by its members). The agenda and accompanying meeting papers may be in paper form or electronic form, and may be delivered by post, by email or any other delivery method that could be received by the members.

5.3 The quorum for meetings of the Audit Committee shall be two members. Members shall attend the meetings in person, or by telephone (or other similar communication equipment), as long as all the attendants of the meeting could listen and talk among themselves during the meeting. Under such circumstances, the attendants shall be considered as attending the meeting in person, counted in the quorum and entitled to vote.

5.4 Each member shall have one vote. Resolutions of the Audit Committee at any meetings shall be passed by a majority of votes of the members of the Audit Committee present. A resolution in writing signed by all the members of the Audit Committee shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly convened and held.

5.5 The Senior Management is obliged to supply the Audit Committee with adequate information in a timely manner, in order to enable it to make informed decisions. The information supplied by the Senior Management must be complete and reliable. Where a member of the Audit Committee requires more information than is volunteered by the Senior Management, the relevant member of the Audit Committee should make additional necessary enquiries. The Audit Committee and each of its members shall have separate and independent access to the Senior Management.

6. Authority

6.1 The Audit Committee is authorised by the Board to investigate into any activity within these Terms. The Audit Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.

6.2 The Audit Committee is authorised by the Board to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if the Audit Committee considers this necessary. The Audit Committee shall be provided with sufficient resources to discharge its duties. The Audit Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external party who advises the Audit Committee.

7. Duties

7.1 The duties of the Audit Committee shall include:

Relationship with the Company's auditors

7.1.1 being primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor; and approving the remuneration and terms of engagement of the external auditor, and considering any questions of its resignation or dismissal;

7.1.2 reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

7.1.3 developing and implementing policies 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) and reporting to the Board and making recommendations on any matters where action or improvement is needed;

7.1.4 discussing with the external auditor the nature and scope of the audit and relevant reporting obligations, and ensuring co-ordination where more than one audit firm is involved before the audit commences;

Review of the Company's financial information

7.1.5 monitoring integrity of the Company's financial statements, annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained therein. In reviewing these statements and reports before submission to the Board, the Audit Committee shall focus particularly on:

7.1.5.1 any changes in accounting policies and practices;

7.1.5.2 major judgmental areas;

7.1.5.3 significant adjustments resulting from audit;

7.1.5.4 the going concern assumptions and any qualifications;

7.1.5.5 compliance with accounting standards; and

7.1.5.6 compliance with the Listing Rules and any requirements from the Stock Exchange and legal requirements in relation to financial reporting;

7.1.6 Regarding 7.1.5 above:

7.1.6.1 liaising with the Board and the Senior Management;

7.1.6.2 meeting at least twice a year with the Company's auditors; and

7.1.6.3 considering any significant or unusual items that are, or may need to be, reflected in the financial reports and accounts and giving 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

7.1.7 reviewing the Company's financial controls, risk management and internal control systems;

7.1.8 discussing the risk management and internal control systems with the Senior Management, ensuring that the Senior Management has performed their duties to establish effective systems and to review annually the effectiveness, adequacy and appropriateness of those systems. This review should include adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

7.1.9 conducting research on major investigation findings of risk management and internal control matters and the Senior Management's response to these findings on its own initiative or as delegated by the Board;

7.1.10 ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced to operate and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;

7.1.11 reviewing the Company's financial and accounting policies and practices;

7.1.12 reviewing the external auditor's management letter, any material queries raised by the auditor to the Senior Management about accounting records, financial accounts or systems of control and Senior Management's response;

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

7.1.14 reporting to the Board on the matters in these Terms;

7.1.15 reviewing the following arrangements set by the Company: employees of the Company can raise concerns about possible improprieties in financial reporting, internal control or other matters in confidence; and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions by the Company;

7.1.16 acting as the key representative body for overseeing the Company's relations with the external auditor;

7.1.17 formulating a whistle-blowing policy and system by the Audit Committee to allow employees and those who have dealings with the issuer (such as customers and suppliers) to raise, in confidence, any concern regarding any possible improprieties about the issuer to the Audit Committee; and

7.1.18 conducting any other matters related to the Audit Committee in accordance with the instructions from the Board from time to time.

8. Disagreement as to external auditors

In the event the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Audit Committee shall provide a statement explaining its recommendations and also the reason(s) why the Board has taken a different view to the Company for inclusion in the Corporate Governance Report issued by the Company in accordance with Appendix C1 of the Listing Rules.

9. Reporting procedures

9.1 Full minutes of the Audit Committee shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary), and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.

9.2 Minutes of the Audit Committee shall record in sufficient detail the matters considered by the Audit Committee and decisions reached, including any concerns raised by the Directors and its members or dissenting views expressed. The draft and final versions of minutes should be sent to all members of the Audit Committee for their comment and records within a reasonable time after the meetings.

9.3 Without prejudice to the generality of the duties of the Audit Committee set out in these Terms, the Audit Committee shall report to the Board and keep the Board fully informed of its decisions and recommendations, unless there are legal or regulatory restrictions on its ability to do so.

10. Annual General Meetings

The chairman of the Audit Committee, or in his/her absence, another member of the Audit Committee, or failing which his/her duly appointed alternate shall attend the annual general meetings of the Company and be available to answer questions thereat on the Audit Committee's activities and its responsibilities.

11. Terms available

The Audit Committee shall make available these Terms by inclusion on the website of the Stock Exchange and the Company's official website for corporate communications.

25 September 2025 (Revised)

This document was prepared in English language. In case of any inconsistency between the Chinese version and the English version, the English version shall prevail.