

Audit Committee

Terms of Reference

Huajin International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

(the “Company”)

(Revised and adopted by resolutions of the board (the “**Board**”) of directors (each a “**Director**”) of the Company passed on 30 December 2025.)

The Board resolved to establish an audit committee (the “**Committee**”) on 23 March 2016.

1. Purpose

1.1 The Committee is established to assist the Board in implementing formal and transparent arrangements for providing opinions on financial reporting, risk management, and internal control principles, and for maintaining an appropriate relationship with the Company’s auditors.

1.2 The Committee’s responsibilities and authorities comply with the relevant provisions of the Corporate Governance Code (the “**CG Code**”) in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as amended from time to time).

1.3 The Committee acts as the focal point for communication between Directors, external auditors and internal auditor (if any) on financial reporting, risk management, internal controls, and audit-related matters as determined by the Board.

1.4 The Committee assists the Board in independent review and supervision of financial reporting and risk management. It ensures the effectiveness of the Group’s internal controls and risk management, and the adequacy of external and internal audits.

2. Membership

2.1 The Committee is appointed by the Board from non-executive Directors, with no fewer than three members. A majority of members must be Independent Non-executive Directors (“**INEDs**”). At least one member is an INED with appropriate professional qualifications or accounting/financial management expertise (as required under Rule 3.10(2) of the Listing Rules).

- 2.2 The quorum for meetings is two members, one of whom must be an INED.
- 2.3 The Chairman of the Committee is appointed by the Board and must be an INED.
- 2.4 A former partner of the Company's existing auditing firm shall be prohibited to serve on the Committee for a period of two years from the date of ceasing to be a partner or having a financial interest in the firm (whichever is the later).
- 2.5 No member may appoint an alternate to attend meetings or perform duties on their behalf.
- 2.6 INEDs comply with the 9-year tenure limit (Main Board Rule 3.13A) and the restriction of serving on no more than six Hong Kong-listed issuers' boards (Main Board Rule 3.12A).
- 2.7 The term of office of members is determined by the Board.
- 2.8 Members with actual or potential conflicts of interest in any matter must disclose it immediately, abstain from voting, and withdraw from the discussion. The Secretary records such disclosure and abstention in the minutes.
- 2.9 The Committee complies with the Listing Rules' gender diversity requirement (at least one member of a different gender). If non-compliant due to resignation, the Board appoints a qualified member within three months and announces the details promptly.

3. Secretary

- 3.1 The Company Secretary acts as the Committee's Secretary. In their absence, a Committee member or their nominee assumes the role.
- 3.2 The Committee may appoint other qualified and experienced persons as Secretary from time to time.
- 3.3 The Secretary records the reasons for members' absences and maintains such records for Board and regulator inspection.
- 3.4 The Secretary ensures all members receive annual training covering the Listing Rules, corporate governance, risk management, internal controls, and industry developments (as required by the Listing Rules).

4. Meeting Procedures

- 4.1 Meeting procedures follow the Company's articles of association, where applicable and consistent with these Terms of Reference.
- 4.2 The Committee holds regular meetings at least twice a year. Additional meetings may be convened by the Chairman, members, external auditors or internal auditor (if any) when necessary.

4.3 Meeting notices:(i) Issued by the Chairman, a member (at the Board's request), external auditor or internal auditor (if any);(ii) Sent to members, Chief Executive Officer, Chief Financial Officer and other attendees no fewer than five working days in advance, confirming venue, time, date and agenda;(iii) Agenda and supporting papers are provided at least three days before the meeting (or other agreed period);(iv) Members may request to add relevant matters to the agenda by notifying the Secretary;(v) Attendance constitutes a waiver of the notice period requirement.

4.4 A meeting shall be duly constituted if a quorum (as defined in clause 2.2) is present. Members may attend in person, by telephone or video conference (ensuring all persons participating in the meeting are capable of hearing each other).

4.5 The Chairman chairs meetings. In their absence, members present elect a chairperson.

4.6 Each member has one vote. Resolutions are passed by majority vote. In case of a tie, the meeting Chairman has a casting vote. Only Committee members may vote.

4.7 Meeting attendance:(i) Only members have the right to attend. Other Directors, management, accounting/financial reporting staff, the internal auditor (if any) and external auditor representatives may be invited (without voting rights or quorum counting);(ii) The Committee may hold separate private meetings with the internal auditor and/or the external auditors, without the presence of the Executive Directors or senior management of the Company whenever they think fit and appropriate.;

(iii) The Chief Financial Officer and an external auditor representative normally attend. Other appropriate persons may be invited as needed.

4.8 Written Resolutions:Resolutions may be passed by all members in writing, consisting of signed documents circulated by post, fax, email or other electronic means. Electronic signatures are valid if compliant with Hong Kong laws.

4.9 Meeting Minutes:(i) The Secretary keeps full minutes, recording matters considered, decisions, member doubts/disagreements and conflict disclosures;(ii) Attending members sign minutes to confirm accuracy;(iii) Draft minutes are circulated to members for comment within a reasonable time. Final minutes are distributed for records promptly;(iv) Minutes and written resolutions are retained by the Company Secretary for at least seven years;(v) The Secretary maintains records of all meetings of the Committee held during each financial year of the Company and records of individual attendance of members of the Committee, on a named basis, at meetings held during such financial year.

5. Annual General Meeting

5.1 The Committee Chairman (or another INED member, or their alternate if absent) attends the Company's annual general meeting to answer shareholders' questions on the Committee's activities and responsibilities.

6. Authority

The Committee is authorised by the Board to:

- (a) investigate any matter within its terms of reference;
- (b) seek any information it reasonably requires from any employee of the Group;
- (c) obtain independent professional advice at the Company's expense, where necessary, to fulfil its duties;
- (d) secure sufficient resources for its operations, including funding for member training and internal audit support (if applicable).

7. Duties, Powers and Functions

7.1 Relationship with the Company's Auditors

7.1.1 Oversee relations with the external auditor. Recommend appointment, reappointment or removal to the Board (based on ethics, knowledge, experience and capacity). Approve remuneration, terms of engagement, and handle resignation/dismissal matters.

7.1.2 Review with management, external and internal auditors (if any) the adequacy of the Group's internal control policies, risk management systems and Directors' statements in annual accounts (before Board approval).

7.1.3 Before audit commencement: (i) review external auditors' independence, objectivity, audit effectiveness, scope, engagement letter and reporting obligations; (ii) discuss audit scope and reporting obligations with external auditors. External audit fees, negotiated by management, are submitted to the Committee for annual review and approval.

7.1.4 Implement procedures to monitor external auditor independence, including: (i) Considering all Group-audit firm relationships (including non-audit services); (ii) Obtaining annual information from the audit firm on independence policies, compliance monitoring and partner/staff rotation; (iii) Meeting with external auditors without management at least annually to discuss audit fees, audit issues and other matters.

7.1.5 Develop and implement policies for engaging external auditors to provide non-audit services. "External auditor" includes affiliated entities. The Committee reports to the Board with

recommendations for improvement.

7.1.6 Ensure non-audit services do not impair auditor independence/objectivity. When assessing, the Committee considers:(i) The audit firm's suitability to provide the services;(ii) Safeguards against threats to audit objectivity/independence;(iii) the nature of the non-audit services, the related fee levels, and the aggregate fee levels as a percentage of the total fees paid to the audit firm;(iv) Compensation criteria for audit personnel.

7.1.7 Evaluate the cooperation received by the external auditors, including their access to all requested records, data, and information; obtain the comments of management regarding the responsiveness of the external auditors to the Group's needs; and inquire of the external auditors as to whether there have been any disagreements with management which, if not satisfactorily resolved, would result in the issue of a qualified report on the Group's financial statements.

7.1.8 Establish and review policies on hiring current/former audit firm employees. Monitor policy application and assess potential impacts on auditor judgment/independence.

7.2 Review of the Company's Financial Information

7.2.1 Review and monitor the integrity of financial statements, annual/interim/quarterly reports (if published), preliminary results and other financial performance announcements. It reviews significant financial reporting judgments before Board approval, focusing on:(i) Changes in accounting policies/practices;(ii) Major judgmental areas;(iii) Significant audit/review adjustments;(iv) Going concern assumption and qualifications;(v) Compliance with accounting/auditing standards;(vi) Compliance with Listing Rules and legal financial reporting requirements.

7.2.2 For the above:(i) Members liaise with the Board and senior management;(ii) The Committee meets with external auditors at least twice a year to review financial information;(iii) It considers significant/unusual items in reports, matters raised by relevant staff/auditors, and the consistency/transparency of financial disclosures.

7.2.3 Review the adequacy and fairness of financial statement disclosures.

7.2.4 Consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, and give due consideration to any matters raised by the staff responsible for the accounting and financial reporting function, compliance officer, or auditors, ensuring the consistency and transparency of financial reporting disclosures.

7.3 Oversight of the Company's Financial Reporting System, Risk Management and Internal Control Systems

7.3.1 Review the Company's financial controls. It reviews risk management and internal control systems (unless assigned to another committee) and makes improvement recommendations to the Board.

7.3.2 Discuss risk management and internal control systems with management to ensure effectiveness. Discussions cover resource adequacy, staff qualifications, training and budgets for accounting/financial reporting functions.

7.3.3 Review the effectiveness of the Group's whistleblowing policy and procedures at least annually. The policy must provide secure, confidential, and anonymous channels for employees and third parties (including customers and suppliers) to report concerns about financial impropriety, internal control failures, or unethical conduct. The Committee shall ensure that all reports are independently reviewed and that whistleblowers are protected from retaliation.

7.3.4 Review and monitor the Group's anti-bribery and anti-corruption policies as part of its oversight of internal controls and ethical culture. The Committee shall assess whether these policies are effectively implemented and aligned with applicable laws and best practices (e.g., guidelines issued by the Independent Commission Against Corruption).

7.3.5 Review the draft representation letter before Board approval.

7.3.6 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, including any suspected fraud, irregularities, failures of internal controls, or infringements of laws, rules, and regulations.

7.3.7 If an internal audit function exists:(i) Review and monitor its scope, effectiveness and results;(ii) Ensure coordination between internal and external auditors;(iii) Ensure adequate resources and appropriate standing for the internal audit function.

7.3.8 Review the Group's financial and accounting policies and practices.

7.3.9 Discuss recommendations arising from the audit with the external auditors (if necessary, in the absence of management). It reviews the external auditor's management letter, any material queries raised by the external auditor to management in respect of the accounting records, financial accounts, or systems of control, and the response of management.

7.3.10 Ensure the Board responds timely to issues in the external auditor's management letter.

7.3.11 Inform the Board of significant developments in duty performance.

7.3.12 Recommend adjustments to the Committee's duties to the Board as appropriate.

7.3.13 Review the fairness and reasonableness of any connected transaction and the impact of such

transaction on the profitability of the Group and whether such connected transaction, if any, has been carried out in accordance with the terms of the agreement governing such transaction and the Listing Rules.

7.4 Other Duties

7.4.1 Conduct periodic self-assessments of performance, constitution and Terms of Reference. It reports to the Board with improvement recommendations.

7.4.2 Consider other matters as defined by the Board.

8. Reporting Procedures

8.1 The Committee regularly reports to the Board on its activities and matters significantly impacting the Company's financial condition or business. It makes recommendations, with reporting by the Chairman or designated person (subject to legal/regulatory restrictions).

8.2 The Company Secretary shall be responsible for maintaining complete minutes of all Committee meetings, as well as retaining copies of all written resolutions. These minutes must meticulously document the matters deliberated upon and the decisions reached by the Committee members, including any doubts or disagreements expressed during the proceedings.

8.3 The secretary of the Committee shall circulate draft and final versions of minutes of the meetings or, as the case may be, written resolutions of the Committee to all members of the Committee for their comment and records respectively within a reasonable time after the meeting or the passing of the written resolutions.

8.4 Unless assigned to another committee, the report includes reviews of risk management/internal control systems and internal audit effectiveness. An annual comprehensive report is submitted to the Board.

8.5 Where the Board disagrees with the Committee's view on the appointment, reappointment, or removal of the external auditors, the Company shall include in the corporate governance report a statement from the Committee explaining its recommendation and the reasons for the Board's different view.

9. Review of Terms of Reference

These Terms of Reference shall be reviewed by the Committee at least once every year and updated as necessary to reflect changes in regulatory requirements, market practices, or the Group's circumstances. Any material amendments shall be submitted to the Board for approval.

10. Interpretation

Interpretation of these Terms of Reference shall belong to the Board.

11. General

11.1 The Committee reviews its performance, constitution and Terms of Reference from time to time to ensure effectiveness. It recommends changes to the Board for approval.

11.2 The Board may review these Terms of Reference, considering the Committee's operations, corporate governance contribution and Listing Rules amendments.

11.3 A reasonable transition period applies to existing members not meeting new requirements. The Board ensures compliance within the period.

12. Publication of Terms of Reference of the Committee

12.1 The Committee should make available its terms of reference, explaining its role and the authority delegated to it by the Board by including them on the Stock Exchange's website and the Company's website.

13. Continuing Application of the Articles of Association and "A Guide for Effective Audit Committees"

13.1 The Company's articles of association governing Director meetings apply mutatis mutandis to the Committee (where applicable and consistent).

13.2 The provisions of "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in February 2002 shall, to the extent not inconsistent with the provisions of these terms of reference, be deemed to be incorporated into these terms of reference, mutatis mutandis.

Note: If there is any inconsistency between the English and Chinese versions of this document, the English version shall prevail.