



Vitasoy International Holdings Ltd.

維他奶國際集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock code: 345)

TERMS OF REFERENCE AUDIT COMMITTEE

1. Membership

The Committee shall be appointed by the Board from amongst the non-executive Directors of the Company consisting of a majority of Independent Non-executive Directors whose terms shall run concurrently with their terms as directors. The Audit Committee must consist of a minimum of three members and at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise. Two members shall constitute a quorum provided that at least one independent non-executive director shall be present throughout each meeting.

2. Chairman

The Chairman of the Committee shall be selected amongst the independent non-executive directors of the Company and shall be appointed by the Board. If at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Committee members shall choose one of the other independent non-executive directors to act as Chairman of such meeting.

3. Attendance at Meetings

The Chairman of the Committee may invite the Group Chief Financial Officer or other executives or third parties to attend meetings, or parts of meetings. At least twice a year the following should be invited to meet with the Committee:

- The representative of the external auditor
- The Group internal auditor

4. Proceedings of Meetings

Notice of at least 14 days should be given of a regular committee meeting. An agenda and accompanying meeting papers should be sent in full to all committee members at least three days before the intended date of committee meeting. Any member may request for meetings by giving notice in writing to the Chairman of the

Committee of not less than seven days' notice. Questions arising at the meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman shall have a second or casting vote.

5. Frequency of meetings

Meetings shall be held not less than twice a year. The External Auditor or the Internal Auditor, if they deem necessary, may request for meetings by giving notice in writing to the Chairman of the Committee.

6. Authority

The Committee is empowered by the Board to investigate any activity within its terms of reference. It has the right to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

7. Outside professional services

The Committee is authorized by the Board, at the expense of the Company, to obtain outside legal or other independent professional advice and to secure the attendance, at meetings, of outsiders with relevant experience and expertise if it considers this necessary.

8. Terms of Reference

The terms of reference of the Committee should include the following specific duties:-

A. Audit, Internal Control and Risk Management

A.1 Financial reporting

- (a) to be primarily responsible for making recommendation 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 Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences. Procedures to review and monitor the independence of the external auditor may include:-

- (i) consider all relationships between the Company and the audit firm (including the provision of 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 current requirements regarding rotation of audit partners and staff; and
 - (iii) meet with the external 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;
- (c) to develop and implement a policy 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. The Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (d) to monitor the integrity of the Company’s financial statements and annual reports and accounts, half-year reports and quarterly reports, if applicable, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the 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;
- (e) Regarding (d) above:-
 - (i) members of the Committee should liaise with the Board and senior management, the Group Chief Financial Officer and the Group Internal Auditor and the Committee must meet, at least twice a year, with the external auditor; and
 - (ii) the Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Group Chief Financial Officer, Group Internal Auditor or the external auditor;
- (f) to review the Company’s financial and accounting policies and practices;

- (g) to review the Company's financial controls system;
- (h) 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;
- (i) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (j) to act as the key representative body for overseeing the Company's relations with the external auditor;

A.2 Risk management and internal control

- (k) to oversee the Company's risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems has been conducted at least annually, and management should provide a confirmation on the effectiveness of these systems. The scope of the review should cover all material controls, including financial, operational and compliance controls, and should include:
 - the changes in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment;
 - the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;
 - the extent and frequency of communication of monitoring results to the Committee and the Board for the purposes of assessing the adequacy and effectiveness of the Company's risk management and internal control systems;
 - significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the financial performance or condition of the Company, and any remedial measures taken to address such control failings or weaknesses;
 - the effectiveness of the Company's processes for financial reporting and Listing Rules compliance; and
 - the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting;

- (l) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have the effective systems;
- (m) 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;

A.3 Others

- (n) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function has appropriate standing within the Company, and to review and monitor its effectiveness;
- (o) to review the whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow up action;
- (p) to review the effectiveness of the policy and system that promote and support anti-corruption laws and regulations from time to time;
- (q) to report to the Board on the matters in code provision D.3 in Part 2 of the Corporate Governance Code under the Listing Rules;
- (r) to recommend to the Board the dividend payment rate by reference to the Company's Dividend Policy; and
- (s) consider other topics, as defined by the Board.

B. Corporate Governance

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review at least annually, and from time to time as appropriate, these Terms of Reference and recommend to the Board on any changes consider or deem necessary;
- (c) to review and monitor the training and continuous professional development of directors and senior management;
- (d) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (e) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

- (f) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

9. Minutes and Reports

Minutes shall be maintained of all the meetings of the Committee and be signed by the Chairman and kept by a duly appointed secretary of the Committee meeting. The full minutes shall be present to the Board at the subsequent Board meeting.

Information in relation to the Committee and its work report shall be included for the accounting period in the Corporate Governance Report in the Annual Report as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") from time to time.

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Updated on 25 August 2025