



CHINA LONGEVITY GROUP COMPANY LIMITED

中國龍天集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1863)

Terms of Reference for the Audit Committee

(the “Audit Committee”)

(revised and adopted by the Company pursuant to the board resolution passed on 31 December 2022)

1 MEMBERSHIP

- 1.1 Members of the Audit Committee shall be appointed by the board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of China Longevity Group Company Limited (the “**Company**”).
- 1.2 The Audit Committee must comprise a minimum of the three members, at least one of whom is an independent non-executive director 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**”).
- 1.3 Members of the Audit Committee shall comprise non-executive Directors only, the majority of which shall be independent non-executive Directors.
- 1.4 A former partner of the Company’s existing auditing firm should be prohibited from acting as a member of the Audit Committee for a period of two years from the date of his ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is later.

2 CHAIRMAN

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

3 SECRETARY

3.1 The company secretary shall be the secretary of the Audit Committee.

3.2 In the absence of the secretary of the Audit Committee, the members present at the meeting of the Audit Committee shall elect another person as the secretary.

4 QUORUM

4.1 The quorum for meetings of the Audit Committee shall be any two members.

4.2 A duly convened meeting of the Audit Committee at which a quorum is present at the time when the meeting proceeds to business and continues to be present until the conclusion of the meeting, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.

5 FREQUENCY OF MEETINGS

The Audit Committee shall meet at least twice a year (“**Regular Meeting**”).

6 ATTENDANCE AT MEETINGS

Members of the Audit Committee may attend meetings of the Audit Committee either in person or through other electronic means of communication.

7 NOTICE OF MEETINGS

7.1 A meeting of the Audit Committee may be convened by any of its members, or by the secretary of the Audit Committee at the request of any of its members.

7.2 Unless otherwise agreed by all the members of the Audit Committee, notice of at least 14 days shall be given of a Regular Meeting of the Audit Committee, and such notice shall be sent to each member of the Audit Committee. For all other meetings of the Audit Committee, reasonable notice shall be given.

7.3 In respect of a Regular Meeting of the Audit Committee and so far as practicable in all other cases, an agenda and accompanying supporting papers shall be sent to all members of the Audit Committee at least 3 days before the date of the meeting (or such other period as agreed).

7.4 Any member of the Audit Committee shall be entitled, by notice to the secretary of the Audit Committee, to include other matters relevant to the functions of the Audit Committee in the agenda of a Audit Committee meeting.

8 MINUTES OF MEETINGS

8.1 The secretary of the Audit Committee (or his/her delegate) in attendance at the meetings of the Audit Committee shall minute in sufficient detail the matters considered and decisions reached at such meetings. The minutes shall also include any concerns raised by any member of the Audit Committee and/or dissenting views expressed.

8.2 The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Audit Committee shall not be counted towards the quorum and he must abstain from voting on any resolution of the Audit Committee in which he or any of his associates has a material interest, unless the exceptions set out in Rule 13.44 of the Listing Rules apply.

8.3 Draft and final versions of minutes of Audit Committee meetings shall be sent to all Audit Committee members for their comment and records respectively, in both cases within a reasonable time after the meeting. Once the minutes are signed, the secretary shall circulate the minutes and reports of the Audit Committee to all members of the Board.

8.4 Minutes of the Audit Committee shall be kept by the secretary of the Audit Committee and shall be available for inspection by any member of the Audit Committee or the Board at any reasonable time on reasonable notice.

9 ANNUAL GENERAL MEETING

The chairman of the Audit Committee or in his absence, another member of the Audit Committee or failing this, his duly appointed delegate, shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Audit Committee's activities and their responsibilities.

10 OTHER REGULATIONS GOVERNING THE MEETINGS AND PROCEEDINGS OF THE AUDIT COMMITTEE

Unless otherwise specified above, the provisions contained in the Company's Bye-laws (as amended from time to time) for regulating meetings and proceedings of Directors shall apply to the meetings and proceedings of the Audit Committee.

11 DUTIES

The duties, powers and functions of the Audit Committee shall include such duties, powers and functions set out in the relevant code provisions of the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Listing Rules (as amended from time to time). Without prejudice to the requirements under the CG Code, the duties of the Audit Committee include the following:

i. Relationship with the Company’s auditors

- (a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of the external auditors;
- (b) to review and monitor the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (c) to discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- (d) to develop and implement policy on the engagement of external auditor to supply non-audit services;
- (e) to ensure that the provision of non-audit services by the external auditor as stated in paragraph (d) above does not impair the external auditor’s independence and objectivity and to consider the suitability of the service provider including its skills and experience and the related fee levels;
- (f) to report to the Board, identifying any matters in respect of which the Audit Committee considers that action or improvement is needed and making recommendations as to the steps to be taken;

ii. Review of the Company's financial information

- (g) to monitor integrity of the interim and annual financial statements, interim and annual report and accounts, interim report, and to review significant financial reporting judgements contained in them before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgemental 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;
- (h) in relation to (g) above,
 - (i) to consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and 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 (if any) or auditors; and
 - (ii) to liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors, one of such meetings should be held in the absence of management to discuss matters relating to its audit fees, any issues arising from the audit and other matters the external auditors may wish to raise;

iii. Oversight of the Company's financial reporting system, risk management and internal control systems

- (i) to review the Company's financial controls, internal control and risk management systems;

- (j) to discuss the risk management and internal control systems with management to ensure that management has discharged its duty to have effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (k) to consider any 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;
- (l) if applicable, 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;
- (m) to review the group's operating, financial and accounting policies and practices;
- (n) to review the external auditor's management letter and any material queries raised by the external auditor in respect of the accounting records, financial accounts or systems of control and management's response, and to ensure that the Board provide a timely response to the issues raised in the external auditor's management letter;
- (o) to report to the Board on the matters set out in the CG Code;
- (p) to consider other topics as the Board may define from time to time;

iv. Others

- (q) 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. In doing so, 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; and
- (r) to act as the key representative body for overseeing the Company's relations with the external auditor.

12 REPORTING RESPONSIBILITIES

The Audit Committee shall report back to the Board on their decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so (such as a restriction on disclosure due to regulatory requirements).

13 OTHERS

13.1 The Audit Committee shall have access to independent professional advice if necessary.

13.2 The Audit Committee shall be provided with sufficient resources to discharge its duties.

13.3 All members of the Audit Committee shall have access to the advice and services of the company secretary with a view to ensuring that procedures of the Audit Committee and all applicable rules and regulations are followed.

13.4 In the event that the Audit Committee or any member of the Audit Committee requires access to outside independent professional advice in connection with its/his duties, a request may be made to the Board through the company secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking professional advice at the Company's expense.

13.5 Every member of the Audit Committee shall ensure that he can give sufficient time and attention to his skills and expertise through regular attendance and active participation.

13.6 The Audit Committee is authorized by the Board to seek such further information from the management of the Company as it may require in order to enable it to discharge its duties.

The Audit Committee and each of its members shall have separate and independent access to the Company's senior management*.

* *“Senior management” shall refer to the persons disclosed in the Company's annual report in accordance with the Listing Rules.*

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