# FOSHAN HAITIAN FLAVOURING AND FOOD COMPANY LTD.

## Rules of Procedure for the Audit Committee of the Board of Directors

(Revised in August 2025)

### Chapter 1 General Provisions

**Article 1** In order to establish and regulate the deliberation and decision-making procedures of the Audit Committee of Foshan Haitian Flavouring and Food Company Ltd. (the "Company"), the board of directors (the "Board") of the Company has established the Audit Committee (the "Committee") and has formulated these Rules of Procedure in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited , the Articles of Association of Foshan Haitian Flavouring and Food Company Ltd. (the "Articles of Association"), the Rules of Procedure for the Board of Directors of Foshan Haitian Flavouring and Food Company Ltd. (the "Rules of Procedure for the Board"), and other laws, regulations, regulatory documents and internal policies of the Company.

**Article 2** The Committee is a specialized working body established by the Board of the Company, which shall perform its duties in accordance with relevant laws and regulations, regulatory documents, the securities regulatory rules of the place(s) where the shares of the Company are listed, the Articles of Association and these Rules of Procedures.

**Article 3** These Rules of Procedures shall apply to the Committee, as well as to relevant personnel and departments referred to herein.

### Chapter 2 Composition of the Committee

**Article 4** The Committee shall consist of three directors. Members of the Committee shall be directors that do not hold office as senior management, of which independent directors shall constitute a majority. Employee representatives who are members of the Board may serve as members of the Audit Committee. Members of the Committee shall be nominated by the chairman of the Board and elected by the Board.

**Article 5** The Committee shall have one convenor (chairman), who shall be an independent director and an accounting professional. The convenor shall be nominated by the chairman of the Board of the Company and appointed by the Board.

**Article 6** The term of office of the Committee is consistent with the term of office of the Board of the same session, and the term of office of each member is consistent with the term of office of the directors. Committee members may be re-elected upon the expiration of their term, but the member who is an independent director may not serve for more than six consecutive years. If any member of the Committee resigns from the position of director of the Company during his/her term of office, he/she will automatically resign from the Audit Committee as and when he/she ceases to serve as a director.

**Article 7** A member of the Committee may tender his/her resignation to the Board prior to his/her term of office by giving a resignation report to explain the reason for resignation and other matters which need to be brought to the attention of the Board.

In the event that resignation of an independent director will result in the proportion of independent directors on the Audit Committee not complying with the provisions of these Rules of Procedures or the requirements of laws and regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed or the Articles of Association, or if such resignation would leave the independent directors without an accounting professional, the independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is appointed. The Company shall complete the by-election of such independent director within sixty days from the date of resignation.

**Article 8** Changes to the members of the Committee may be made during their term of office by the Board as and when proposed by the chairman of the Board and approved by the Board after their discussion.

**Article 9** When the number of Committee members falls below the required number under these Rules of Procedures, the vacancy shall be filled by the person elected by the Board in accordance with the provisions of these Rules of Procedures.

## Chapter 3 Duties of the Committee

**Article 10** The main duties and authorities of the Audit Committee are as follows:

(I) To supervise and evaluate external audit work

1. to make recommendations to the Board on the appointment, reappointment and change of the external auditor, to make recommendations to the Board on the remuneration and terms of engagement of the external auditor, to oversee the engagement of the external auditor, and to handle any matters on resignation or dismissal of that auditor;

2. to review and monitor the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standards; the Committee shall discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

3. to develop and implement policies on the engagement of an external auditor to provide non-audit services. For this purpose, "an 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 having knowledge of all relevant information would reasonably conclude as part of the audit firm's domestic or international operations. The Committee shall report and make recommendations to the Board on any matters it considers that require action or improvement.

(II) To review the financial report of the Company

To review and monitor the truthfulness, completeness and accuracy of the financial statements, annual reports and accounts, interim reports and quarterly reports of the Company, and to review the material opinions on financial reporting contained in the statements and reports, paying special attention to the possibility of whether fraud, misconduct and material misstatements relating to the financial statements and reports exist. In this regard, when the Committee submits the relevant statements and reports to the Board, it shall specially review the following matters:

1. any changes in accounting policies and practices;

2. areas involving important judgement;

3. significant adjustments arising from the audit;

4. the going concern assumption of the enterprise and any qualified opinions;

5. whether accounting standards have been complied with;

6. whether other securities regulatory rules of the place(s) where the shares of the Company are listed and legal requirements relating to financial reporting have been complied with.

In regard to the item (II) above, the members of the Committee shall keep in touch with the Board and senior management of the Company. The Committee shall convene at least two meetings per year with the Company's external auditor, which may be held including but not limited to by on-site meeting, video, telephone or other means; the Committee shall consider any significant or unusual matter that is, or may need to be, reflected in such reports and accounts and shall pay due attention to any matter that has been raised by the Company's staff responsible for accounting and financial reporting function, compliance department or external auditor.

(III) To oversee and evaluate the effectiveness of internal control, examine and supervise the effective operation of the financial reports, internal control system and risk management system of the Company

1. to review the Company's financial controls, internal control systems and risk management systems;

2. to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience of the Company's accounting and financial reporting function, as well as the adequacy of the training courses received by the staff and the relevant budgets;

3. to consider major investigation findings on risk management and internal control matters and management's response to these findings as delegated by the Board or on its own initiative;

4. to ensure the coordination of works between internal and external auditor; ensure the internal audit function has sufficient internal resources and appropriate position to operate within the Company; as well as review and monitor whether the internal control function is effective;

5. to review the Company's financial and accounting policies and practices;

6. to examine the Explanatory Letter on Audit provided by the external auditor to the management, any material queries raised by the external auditor to the management in respect of the accounting records, financial accounts, risk management or control systems and management's response;

7. to ensure that the Board gives timely response to the matters mentioned in the Explanatory Letter on Audit issued by the external auditor to the management;

8. to report to the Board on the aforementioned matters and other matters stipulated in the securities regulatory rules of the place(s) where the shares of the Company are listed;

(IV) To exercise the duties and authorities of the supervisory committee as required by the Company Law

1. to exercise relevant duties and authorities of the supervisory committee as required by laws, regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association.

(V) Others

1. other duties and authorities as required by laws, regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed and as conferred by the Board.

**Article 11** The Committee is responsible for reviewing and disclosing the Company's financial information, supervising and evaluating internal and external audit work and internal control. The following matters should be submitted to the Board for deliberation after the consent of more than half of all members of the Committee:

(I) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(II) appointment or dismissal of the accounting firm that undertakes the listing company's auditing business;

(III) appointment or dismissal of the listing company's financial controller;

(IV) changes in accounting policies, accounting estimates, or corrections of significant accounting errors for reasons other than changes in accounting standards;

(V) other matters as stipulated by the laws, administrative regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed, and the Articles of Association.

If necessary, the Committee may engage external experts or intermediaries to provide professional advisory services, subject to the consent of more than half of all members of the Committee. All reasonable expenses incurred by the Committee in the performance of its duties shall be borne by the Company, provided that the Committee shall ensure such expenses fall within appropriate and justified limits.

**Article 12** The Committee shall review the listed company's financial accounting reports and provide opinions on their authenticity, accuracy and completeness, and focus on significant accounting and audit issues of the financial accounting reports of the Company. It shall pay particular attention to potential fraud, malpractice and material misstatements relating to the financial accounting reports, and oversee the rectification of any issues identified therein.

The Committee shall make recommendations to the Board on the appointment or replacement of the external auditor, review the audit fees and engagement terms of the external auditor, and shall not be improperly influenced by the substantial shareholders, de facto controllers or directors, supervisors and senior management of the Company.

The Committee shall urge the external auditor to be honest, trustworthy, diligent and responsible, and to strictly abide by the business rules and industry discipline regulations, strictly implement the internal control system, check and verify the Company's financial and accounting reports, perform the special care obligations, and prudently express professional opinions.

**Article 13** Main duties of the convenor of the Committee are:

(I) to convene and preside over meetings of the Committee;

(II) to supervise and inspect the work of the Committee;

(III) to sign relevant documents of the Committee;

(IV) to report to the Board on the work of the Committee;

(V) to perform other duties and responsibilities as required by the Board.

**Article 14** The Company shall also disclose a summary of the work of the Audit Committee during the year when disclosing its annual report, primarily including the performance of responsibilities of the Audit Committee and the convening of meetings by the Committee.

The Committee shall report its opinion to the Board of the Company in accordance with the duties set out, the Company shall disclose the matter and explain the reasons in the event of non-acceptance by the Board.

## Chapter 4 Meetings of the Committee

**Article 15** The Committee shall convene the meeting at least once a quarter. The convenor of the Committee shall issue a notice to convene a meeting within seven days from the date of occurrence of any of the following circumstances:

(I) when the Board deems it necessary;

(II) when the convenor of the Committee deems it necessary;

(III) when it is proposed by more than two members of the Committee.

**Article 16** The office of the Board shall be responsible for giving notice of the meeting to each member of the Committee and relevant persons who are invited to attend the meeting three days before the meeting is convened, except under special circumstances that the meeting shall be convened as soon as possible. The content of the notice of the meeting shall include the manner, time, venue, agenda, issue date of the notice and relevant information of the meeting. With the unanimous consent of all Committee members, the requirement to give advance notice of meetings of the Audit Committee may be waived. The Company shall retain relevant documentation and records.

**Article 17** After receiving the notice of the meeting, the Committee members shall promptly confirm and provide feedback on relevant information (including but not limited to whether to attend the meeting, schedule arrangement, etc.) in an appropriate manner.

**Article 18** If it is necessary to change the time and venue of the meeting or add, change and cancel the resolutions for the meeting after the notice of the meeting is served, the approval of all the members shall be obtained beforehand and relevant records shall be made.

**Article 19** The Committee members shall attend the meeting in person. When a member is unable to attend the meeting in person due to some reasons, such member may, by signing and submitting a letter of proxy signed by that member, authorize other Committee members to attend and express opinions on his/her behalf. The scope and term of the authorization shall be specified in such letter of proxy. A member shall not accept any such authorization from two or more members concurrently.

Members attending the meeting on other members' behalf shall exercise their rights within the scope of authorization. If a member fails to attend the meeting of the Committee in person or authorize other Committee members to exercise the rights on his/her behalf, nor does he/she submit a written opinion prior to the convening of the meeting, he/she is deemed to have waived his/her rights.

Members who are unable to attend the meeting in person may also exercise their rights by submitting written opinions on matters to be considered at the meeting, provided that such written opinions shall be submitted to the office of the Board no later than the meeting.

**Article 20** A member of the Committee who fails to attend the Committee meetings in person or authorize other members of the Committee to attend on his/her behalf, or who fails to submit the written opinions before the meeting for two consecutive times; or whose attendance of the meeting of the Committee in person is less than three-quarters of the total number of meetings in one year, shall be deemed to be unable to perform the duties of Committee, and the Board may adjust the Committee members in accordance with these Rules of Procedures.

**Article 21** The meetings of the Committee shall be held only with the presence of over two-thirds of the members. Each member shall be entitled to one vote. The resolutions made at the meeting are only valid subject to approval by more than half of the members of the Committee. The convenor of the Committee shall preside over the meeting. If the convenor of the Committee is unable to attend the meeting, he/she may delegate other Committee members to preside over the meeting.

**Article 22** All items on the agenda shall be considered during meetings of the Committee, and the Committee members shall explicitly, independently and fully express their opinions based on their own judgment. In case of any different opinions, such opinions shall be stated in the minutes.

**Article 23** Meetings of the Committee shall be held in the form of on-site meetings in general. However, on the premise that all attending members are able to sufficiently communicate and express their opinions, and with the consent of the convenor of the Committee, meetings may be held by video, telephone or other means.

**Article 24** Where necessary, the Committee may invite directors, senior management members and relevant experts of the Company, social experts, scholars, intermediary agencies and other relevant persons to attend the meeting. The attendees shall give explanation and elaboration on any issues as required by any Committee member.

**Article 25** Where a member of the Committee is interested in any matters being considered at the meeting of the Committee, he/she shall abstain from attending such meeting. Such Committee meeting may be held as long as it is attended by more than half of the non-interested members, and resolutions of such meeting shall be subject to approval by more than half of the non-interested members. If the number of non-interested members attending the meeting is less than half of the total number of non-interested members of the Committee, such matter shall be submitted to the Board for consideration.

Minutes of the Committee meeting should state that interested members were not counted in the number of participants and did not participate in voting.

**Article 26** All persons attending the meetings shall keep all matters considered at the meetings confidential and shall not disclose any such information without authorization.

## Chapter 5 Working Body of the Committee

**Article 27** The secretary to the Board shall be responsible for organization and coordination of the work between the Committee and all relevant departments and shall attend meetings of the Committee.

**Article 28** The office of the Board shall coordinate with other relevant departments of the Company to facilitate the effective implementation of relevant work of the Committee.

**Article 29** The office of the Board shall be responsible for affairs relating to meetings of the Committee such as preparing and issuing the notice of meeting.

The finance department and other relevant departments of the Company shall be responsible for preparing and providing relevant materials required for the consideration of the matters and for liaising with relevant departments (including the relevant experts of the Company or social experts, scholars and intermediary agencies engaged by the Committee during its deliberations).

The finance department and other relevant departments of the Company shall formulate the working systems and procedures for the provision of relevant services to the Committee in accordance with the scope of duties of the Committee and file them with the Board.

The relevant functional departments of the Company shall be responsible for providing services for the work of the Committee and to provide support and collaboration for the work of the office of the Board and the finance department and other relevant departments.

## Chapter 6 Minutes of the Committee Meetings

**Article 30** Minutes shall be kept for all meetings of the Committee, which shall be prepared by the office of the Board and shall contain the following information:

(I) session, manner, date, venue and name of the chairman of the meeting;

(II) attendance and absence of members in person and attendance by proxy;

(III) name and title of each attendee;

(IV) agenda of the meeting;

(V) main points made by the members and other relevant attendees;

(VI) name of the person taking the minutes.

The members and the secretary to the Board present at the meetings shall sign the minutes of the Committee meetings. Minutes should be circulated to all Committee members for their comment within a reasonable time after the meeting.

**Article 31** Minutes, letters of proxy, written opinions of the members and other meeting materials derived from the meetings of the Committee shall be kept on file by the secretary to the Board of the Company in accordance with the filing management system of the Company for a period of not less than ten years.

## Chapter 7 Supplementary Provisions

**Article 32** Unless otherwise stated, the terms used in these Rules of Procedures shall have the same meanings ascribed to them in the Articles of Association.

**Article 33** From the date of approval by the Board, these Rules of Procedures shall take effect and come into force.

**Article 34** For any matter not covered in these Rules, or in the event of any conflict with any provisions of the laws, regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed, the Articles of Association or the Rules of Procedure for the Board promulgated or amended after these Rules of Procedures become effective, the provisions of such laws, regulations, the securities regulatory rules of the place(s) where the shares of the Company are listed, the Articles of Association or the Rules of Procedures for the Board shall prevail.

**Article 35** The Board shall have the rights of interpretation and amendment of these Rules of Procedures.