China Ecotourism Group Limited
中國生態旅遊集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1371)
(the "Company")

(Amended and passed by the board of director of the Company
on 29 September 2025)

Audit Committee – Terms of reference

1. Constitution, membership and attendance

1.1 The Audit Committee is constituted pursuant to bye-law 124 of the Bye-Laws of the Company.

1.2 The members of the Audit Committee shall be appointed by the Board of Directors of the Company (the "Board") from amongst the Non-Executive Directors of the Company. Majority of members of the Audit Committee shall be Independent Non-Executive Directors, at least one of whom shall have relevant financial experience. The Audit Committee shall consist of not less than three members.

1.3 The chairman of the Audit Committee (the "Chairman"), who shall be an Independent Non-Executive Director, shall be appointed by the Board amongst the members of the Audit Committee. In the absence of the Chairman from any meeting, the remaining members of the Audit Committee present shall elect one of their members to be the chairman of the Committee meeting.

1.4 The Company Secretary of the Company shall act as the secretary of the Audit Committee (the "Secretary").

1.5 The Group Financial Controller and the Company's staff responsible for the accounting and financial reporting function shall normally attend the Audit Committee meetings. The Audit Committee may invite any Executive Director(s) and representatives of the external auditors and/or such members of the executive management of the Group as they shall deem appropriate to attend the meetings. Other Board members shall also have the right of attendance.

2. Quorum of meetings

The quorum necessary for the transaction of business shall be two members.

3. Frequency of meetings

Meetings of the Audit Committee shall be held not less than two times a year at approximately half-yearly intervals and at such other times as the Chairman or any other member of the Audit Committee shall require. At least twice a year the Audit Committee shall meet with the Company's auditors. The Chairman of the Company and/or the external auditors may request a meeting if they reasonably consider that one is necessary.

4. Notice of meetings

4.1 Meetings of the Audit Committee may be convened by the Secretary at the request of any member thereof, or by any member of the Audit Committee, with notice of at least 14 days should be given of a regular Committee meeting. For all other Committee meetings, reasonable notice should be given.

4.2 Notice may be given in writing or by telephone or in such other manner as the Audit Committee may from time to time determine. Any member of the Audit Committee may waive notice of any meeting either prospectively or retrospectively.

5. Proceedings of meetings

5.1 The members of the Audit Committee may participate in any meeting of the Audit Committee by means of a telephone conference or other forms of communications through which all persons participating in the meeting can communicate with each other and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participants were present in person.

5.2 Every matter shall be determined by a majority of votes of the members of the Audit Committee present at the meeting. Each member shall have one vote on the question arising at any meeting, provided that no member shall vote on any matter which would constitute a conflict of interest.

5.3 A resolution in writing signed by all the members of the Audit Committee shall be as valid and effectual as if a resolution had been passed at a meeting of the Audit Committee duly convened and held.

5.4 All meetings and proceedings of the Audit Committee shall be governed by the provisions of the Bye-Laws of the Company regulating proceedings of meetings of the Board unless otherwise provided herein.

6. Minutes of meetings

6.1 The Secretary shall keep full records of all resolutions passed by the Audit Committee.

6.2 Draft and final versions of minutes of the meetings should be sent to all Committee members for comments and records within a reasonable time after the meeting.

7. Authority

7.1 The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. It 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.

7.2 The Audit Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

7.3 The Audit Committee should be provided with sufficient resources to perform its duties.

8. Duties

The duties of the Audit Committee shall be:

Relationship with the auditors

8.1 to be primarily responsible for making recommendations 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 auditors, and any questions of its resignation or dismissal;

8.2 to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards, and to discuss with the nature and scope of the audit and reporting obligations before the audit commences;

8.3 to develop and implement policy on engaging an external auditors (including 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) to supply non-audit services, and to report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

8.4 to act as the key representative body for overseeing the Company's relations with the external auditor;

Review the Company's financial information

8.5 to monitor integrity of the Company's financial statements, annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained therein, and to review these reports before submission to the Board, focusing particularly on:

(i) any changes in accounting policies and practices;

(ii) major judgmental 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other legal requirements in relation to financial reporting.

8.6 regarding Clause 8.5 above, to liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditors, and to consider any significant or unusual items that are, or may need to be, reflected in the report and accounts and to 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 or auditors;

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

8.7 to review the Company's financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;

8.8 to discuss the risk management and internal control systems with management and to ensure that management has performed its duty to have effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

8.9 to consider major investigations 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;

8.10 where an internal audit function exists, 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;

8.11 to review the Group's financial and accounting policies and practices;

8.12 to review the external auditors' management letter, any material queries raised by the auditors to management about the accounting records, financial accounts or systems of control and management's response;

8.13 to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;

8.14 to act as the key representative body for overseeing the Company's relationship with the external auditor;

8.15 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, and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

8.16 to report to the Board on the matters in the code provisions under Appendix C1 of the Listing Rules; and

8.17 to consider other topics, as defined by the Board.

8.18 where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view;

8.19 to consider the Company's risk management strategies and the solutions for major risk management;

8.20 to consider the judgment criteria or the judgment mechanism related to major decision-makings, major risks, major events and important business procedures, as well as the risk assessment report of major decisions;

8.21 to consider the comprehensive report on the supervision, assessment and audit of risk management submitted by the internal audit department; and

8.22 to consider the establishment of the risk management organisations and proposals of their responsibilities.

Performing the Company's corporate governance functions

8.23 to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

8.24 to review and monitor the training and continuous professional development of directors and senior management of the Company;

8.25 to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

8.26 to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and

8.27 to review the Company's compliance with the code and disclosure in the Corporate Governance Report of the Company.

9. Availability of this Terms of Reference

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

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