CF PharmTech, Inc.
Terms of Reference and Rules of Procedure for the Audit Committee

Chapter I General Provisions

Article 1 To establish and standardize the audit system and procedures of CF PharmTech, Inc. (hereinafter referred to as the "**Company**"), strengthen the decision-making function of the board of directors of the Company (hereinafter referred to as the "**Board**"), ensure the Board's effective supervision of management, and improve the corporate governance structure, the Board has established the Audit Committee (hereinafter referred to as the "**Committee**") pursuant to the *Company Law of the People's Republic of China* and other relevant laws, administrative regulations, and normative documents (collectively, the "**PRC Laws and Regulations**"), the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (hereinafter referred to as the "**Hong Kong Listing Rules**"), and the *Articles of Association of CF PharmTech, Inc.* (hereinafter referred to as the "**Articles of Association**"). These Terms of Reference and Rules of Procedure for the Audit Committee of the Board of Directors of CF PharmTech, Inc. (hereinafter referred to as the "**Terms**") are hereby formulated.

Article 2 The Committee is a specialized working body under the Board, primarily responsible for communication, oversight, and verification of internal and external audits, as well as risk management and internal control of the Company.

Article 3 The Committee shall be accountable to the Board and shall report its work to the Board.

Article 4 These Terms shall apply to the Committee and to the relevant personnel and departments referred to herein.

Chapter II Composition of the Committee

Article 5 The Committee shall comprise no fewer than three directors, all of whom shall be non-executive directors. Independent non-executive directors shall constitute a majority. Committee members shall possess professional knowledge and business experience in finance, law, or other fields relevant to their responsibilities. At least one member shall be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise, meeting the requirements of the Hong Kong Listing Rules for audit committee financial experts.

With regard to "appropriate accounting or related financial management expertise", the person is expected to have, through experience as a public accountant or auditor or as a chief financial officer or principal accounting officer of a public company or through performance of similar functions, experience with internal controls and in preparing or auditing comparable financial statements or experience reviewing or analyzing audited financial statements of public companies. It is the responsibility of the Board to determine on a case-by-case basis whether the candidate is suitable for the position. In making its decision, the Board must evaluate the totality of the individual's education and experience.

The Board shall regularly evaluate the independence and performance of Committee members and replace any member unsuitable for continued service. A former partner of the Company's current external auditor may not serve as a Committee member within two years from the later of (i) the date of ceasing employment with the external auditor, or (ii) the date of no longer holding any financial interest in the external auditor.

Article 6 Committee members shall be nominated by the chairperson of the Board, more than half of the independent non-executive directors, or more than one-third of all directors, and shall be elected by the Board with the approval by a majority of all directors.

Article 7 The Committee shall have one chairperson, who shall be an independent non-executive director and shall preside over the Committee's work. The chairperson shall be nominated by the chairperson of the Board and approved by the Board. The chairperson shall possess appropriate accounting or related financial expertise.

Article 8 The term of office of the Committee shall be the same as that of the Board. The term of office of a Committee member shall be the same as that of a director. Upon expiry of their term, Committee members may be re-elected. A member shall automatically cease to hold office if he/she ceases to be a director of the Company, or if an independent non-executive director member no longer satisfies the independence requirements under the Hong Kong Listing Rules. In such case, the Board shall appoint replacement members in accordance with these Terms.

Article 9 Committee members may resign before the expiry of their term by submitting a written resignation to the Board, which shall include the reasons for resignation and necessary explanations for any matters that require the Board's attention. If the number of members falls below the minimum required under these Terms, the resigning member shall continue to perform relevant responsibilities until a replacement nominated by the Board assumes office.

Article 10 Upon proposal by the chairperson of the Board and approval by the Board, adjustments to Committee membership may be made during a member's term of office.

Article 11 If the composition of the Committee fails to meet the requirements of these Terms, the Board shall immediately disclose details and reasons by announcement in accordance with the Hong Kong Listing Rules, and shall make up the shortfall within three months from the date of non-compliance. The term of office of a supplementary member shall expire at the end of the term of the director he/she serves as.

Article 12 With coordination by the Board Office, the Company's audit department shall act as the working body of the Committee, providing support and services and undertaking relevant tasks assigned by the Committee.

Chapter III Responsibilities of the Committee and Its Members

Article 13 The Committee, on behalf of the Board, shall independently evaluate and supervise the compliance, legality, and efficiency of the Company's business activities, and shall primarily undertake the following responsibilities:

1. Make recommendations to the Board regarding the appointment, reappointment, and removal of the external auditor, approve the auditor's remuneration and engagement terms, and handle issues relating to its resignation or dismissal;

2. Review and monitor the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standards. Prior to the commencement of an audit, discuss with the auditor the nature, scope and methodology of the audit, and relevant reporting responsibilities.

   To ensure independence of the external auditor, the Committee shall:

   (1) Review the relationship between the Company and the auditor (including non-audit services);

   (2) Obtain annually from the auditor a statement on its independence and compliance with relevant requirements, including rotation of audit partners and staff;

   (3) Meet with the external auditor at least once a year without management present, to discuss audit fees, any issues arising from the audit, and any other matters the auditor intends to raise;

3. Formulate and implement policies regarding the engagement of the external auditor to provide non-audit services. For this purpose, the term "external auditor" includes any entity under common control, ownership, or management with the audit firm, or any entity that a well-informed third party, having knowledge of all relevant information, would reasonably conclude to be part of the national or international operations of the audit firm. The Committee shall report to the Board, identifying matters requiring action or improvement and making recommendations accordingly;

4. Monitor the integrity of the Company's financial statements, annual reports and accounts, half-year and quarterly (if any) reports, and review material opinions on financial reporting contained therein, with particular attention to the possible fraud, misconduct, and material misstatements relating to the financial statements and reports. When reviewing such statements and reports before submission to the Board, the Committee shall particularly review:

   (1) any changes in accounting policies and practices;

   (2) areas involving significant judgments;

   (3) major adjustments arising from audit;

   (4) the going concern assumption and any qualified opinions;

(5) compliance with accounting standards;

(6) compliance with the Hong Kong Listing Rules and other legal requirements relating to financial reporting.

5. With regard to paragraph 4:

(1) The Committee shall liaise with the Board and senior management of the Company, and the Committee shall meet at least twice a year with the external auditor;

(2) The Committee shall consider any significant or unusual matters reflected or required to be reflected in such reports and accounts, and shall give due regard to any matters raised by the Company's accounting and financial reporting personnel, compliance officers, or the audit firm;

6. Monitor the Company's financial control, internal control, and risk management systems;

7. Discuss with management the risk management and internal control systems to ensure management has fulfilled its duty to establish effective risk management and internal control systems, including assessing whether accounting and financial reporting resources, staff qualifications and experience, training, and relevant budgets are adequate;

8. Review, either proactively or as directed by the Board, significant findings on risk management and internal control matters, as well as management's responses to those findings;

9. Monitor the Company's internal audit system, ensure it has sufficient resources and appropriate standing within the Company, and review and monitor its effectiveness;

10. Facilitate communication between internal and external auditors and ensure coordination of their work;

11. Review the Company's financial and accounting policies and practices;

12. Review the management letter issued by the external auditor to management, any major issues raised by the external auditor regarding accounting records, financial accounts, or systems of control, and management's responses;

13. Ensure timely feedback from Board on issues raised in the external auditor's management letter;

14. Monitor arrangements whereby employees may, in confidence, raise concerns about possible improprieties in financial reporting, internal controls, or other matters. The Committee shall ensure that appropriate arrangements are in place for the Company to conduct a fair and independent investigation of such matters and to take suitable follow-up actions;

15. Act as the primary representative between the Company and the external auditor and oversee their relationship;

16. Review the Company's risk management strategy and significant risk management solutions;

17. Confirm the list of connected persons (as defined under the Hong Kong Listing Rules); review connected transactions generally; and conduct regular reviews of connected transactions across the Company, including: reviewing the decisions on connected transactions and their implementation within 10 days after each half-year, reviewing all connected transactions within 30 days after each year-end, and reporting the review results to the Board and the supervisory committee;

18. Assess and determine the Company's environmental, social, and governance ("**ESG**") risks, and ensure appropriate and effective ESG risk and internal control systems are established;

19. Report to the Board on matters set out in these Terms and the code provisions under Appendix C1 of the Hong Kong Listing Rules;

20. Address other matters authorized by the Board or required by PRC Laws and Regulations;

21. Fulfil other relevant responsibilities as required under amendments to the Hong Kong Listing Rules from time to time.

Article 14 The chairperson of the Committee shall perform the following responsibilities:

1. Convene and preside over Committee meetings;

2. Supervise and inspect the Committee's work and implementation of its resolutions;

3. Sign Committee-related documents;

4. Report the Committee's work to the Board;

5. Attend the Company's annual general meeting and respond to shareholders' questions relating to the Committee's responsibilities.

   If the chairperson of the Committee is unable to attend, another member or an appropriately appointed representative shall attend;

6. Other responsibilities as required or delegated under PRC Laws and Regulations, the Hong Kong Listing Rules, these Terms, or by the Board.

Article 15 Committee members shall primarily perform the following responsibilities:

1. Attend Committee meetings on time, express views on matters under discussion, and exercise voting rights;

2. Submit topics for discussion at Committee meetings;

3. To perform their responsibilities, attend or sit in on relevant Company meetings, conduct investigations, and obtain necessary reports, documents, materials and other relevant information;

4. Fully understand the Committee's responsibilities and their own responsibilities as members, be familiar with the Company's operations, activities, and development related to their responsibilities, and ensure the ability to fulfill their responsibilities;

5. Devote sufficient time and effort to performing their responsibilities;

6. Other responsibilities as delegated under PRC Laws and Regulations, the Hong Kong Listing Rules, these Terms, or by the Board.

Article 16 The Committee shall be provided with sufficient resources to fulfill its responsibilities.

Article 17 The Committee shall publish its terms of reference on the websites of The Stock Exchange of Hong Kong Limited and the Company, and shall explain its role and powers delegated by the Board.

Chapter IV Committee Meetings

Article 18 Committee meetings are divided into regular meetings and extraordinary meetings.

Article 19 The Committee shall hold at least two regular meetings each year, with written notice (via email, SMS, or other electronic means) sent to all members three days prior to the meeting. One of the regular meetings shall be held before the annual report is reviewed by the Board.

Article 20 The Committee shall convene extraordinary meetings as needed. In any of the following circumstances, the chairperson of the Committee shall issue a meeting notice within three days from the date of occurrence:

1. When the Board deems it necessary;

2. When the chairperson of the Committee deems it necessary;

3. When two or more Committee members propose it.

The Company's external auditor may also request an extraordinary meeting if deemed necessary.

Article 21 The audit department shall be responsible for delivering the meeting notice in written form (via email, SMS, or other electronic means) to all Committee members and relevant individuals invited to attend the meeting three days prior to the meeting (except under special circumstances where advance notice may be exempted, in which case the meeting chair shall explain at the meeting). The notice shall specify the meeting format, time, venue, duration, agenda, issuance date, contact person, contact details, and relevant data.

The Company's audit, finance, legal departments, and the Board Office shall prepare and provide materials relevant to the matters on the meeting agenda, and coordinate with relevant departments (including internal experts, external experts, scholars, and intermediaries engaged by the Committee during deliberations).

Article 22 Upon receipt of the meeting notice, Committee members shall promptly confirm relevant information in an appropriate manner and provide feedback, including but not limited to whether they will attend the meeting, their travel arrangements, etc.

Article 23 Committee members shall attend meetings in person. If unable to do so, a member may issue a signed power of attorney authorizing another Committee member to attend and express opinions on his/her behalf. The power of attorney shall specify the scope and period of authorization. A member may only authorize one other member to exercise voting rights on his/her behalf per meeting; any authorization to two or more members is invalid. In addition, no member may accept authorizations from two or more members at the same time.

The authorized member attending the meeting on behalf of another shall exercise rights within the scope of authorization. A member who neither attends in person, nor authorizes another member, nor submits written opinions prior to the meeting, shall be deemed to have waived his/her rights.

Members unable to attend the meeting in person may also exercise their rights by submitting written opinions on the matters under discussion. Such written opinions shall be submitted to the audit department prior to the meeting in any event.

Article 24 If a Committee member fails to attend in person for two consecutive meetings, without appointing a proxy or submitting written opinions in advance; or if a member attends less than three-fourths of all Committee meetings in person within a year, the member shall be deemed incapable of fulfilling his/her responsibilities. The Board may adjust the Committee membership according to these Terms.

Article 25 A Committee meeting may only be held when at least two-thirds of members are present. Meetings shall be presided over by the chairperson of the Committee. If the chairperson of the Committee cannot attend, he/she may delegate another member to preside. If the chairperson of the Committee neither performs responsibilities nor delegates another member, any member may report the relevant situation to the Board, which shall designate an independent non-executive director to perform the responsibilities of the chairperson of the Committee.

Chapter V Rules of Procedure

Article 26 Each Committee member holds one vote. A resolution requires approval by a majority of all members. Where recusals prevent a valid resolution, the matter under discussion shall be submitted directly to the Board for deliberation.

Article 27 The Committee shall in principle hold meetings in person, by video conference, or by telephone conference. For extraordinary meetings where urgent circumstances or force majeure make these formats impossible, written communication may be used. In such cases, Committee members shall submit their written opinions on the matters under discussion to the Board within the time specified in the meeting notice.

Article 28 Voting at Committee meetings shall be conducted by a show of hands or by ballot. If members participating by telephone or video conference cannot sign resolutions in real time, they may first state their opinions orally and complete the written signature as soon as possible thereafter. The subsequent written signature must be consistent with the oral opinions expressed at the meeting.

Article 29 Committee members shall study and discuss the matters on the meeting agenda, and shall express clear, independent, and adequate opinions based on their own judgment. Where opinions differ, such differences shall be recorded in the meeting minutes submitted to the Board.

Article 30 The Committee may invite directors, supervisors, senior management, internal experts, external experts, scholars, intermediaries, or other relevant personnel to sit in on Committee meetings. Such invitees shall provide explanations or clarifications as required by Committee members.

Article 31 Where deemed necessary, and subject to the approval of the Board, the Committee may engage external professionals or institutions to provide expert opinions, with reasonable expenses borne by the Company.

Article 32 Where a matter under discussion involves a conflict of interest with any Committee member, that member shall recuse himself/herself.

Article 33 All participants in Committee meetings are obligated to maintain confidentiality over the matters discussed and shall not disclose relevant information without authorization.

Chapter VI Committee Meeting Minutes and Summaries

Article 34 Minutes shall be prepared for all Committee meetings by the audit department, and shall include:

1. Meeting number, format, date, venue, and name of the chairperson;

2. Attendance, absence, and proxy attendance;

3. Names and positions of non-voting attendees;

4. Agenda items;

5. Key points of statements by Committee members and non-voting attendees;

6. Name of the recorder;

7. Meeting minutes or resolutions shall include notes on any recusals due to conflicts of interest (if applicable).

Attending members shall sign the minutes. The minutes shall be circulated to all Committee members within a reasonable time after the meeting for their comments.

Article 35 Following a Committee meeting, the audit department shall prepare the meeting summary based on the discussions.

The summary shall be submitted to the Board and circulated to Committee members, the secretary of the Board, and the Company's audit, finance, legal departments, and other relevant departments and personnel.

Article 36 The minutes, summaries, powers of attorney, written opinions of members, and other meeting materials shall be kept by the Board Office in accordance with the Company's document management policies.

Chapter VII Supplementary Provisions

Article 37 Unless otherwise specified, the terms used herein shall have the same meaning as those defined in the Articles of Association.

Article 38 For the purpose of these Terms, "at least" and "within" include the number itself, while "more than" does not include the number itself.

Article 39 For matters not covered by these Terms, or in the event of any inconsistency with laws, administrative regulations, normative documents, or regulatory rules of the place where the Company's shares are listed, which are issued after the effective date of these Terms, or with the Articles of Association as amended by due process, the relevant national laws, administrative regulations, normative documents, regulatory rules of the place where the Company's shares are listed, and the Articles of Association shall prevail, and these Terms shall be amended in a timely manner.

Article 40 The right of interpretation and amendment of these Terms resides with the Board.

Article 41 These Terms, having been reviewed and approved by the Board, shall come into effect and be implemented from the date of the Company's initial public offering of H shares and listing for trading on The Stock Exchange of Hong Kong Limited.

Article 42 These Terms are prepared in both Chinese and English. In case of discrepancies, the Chinese version shall prevail.