Rules of Procedure of the Audit and Risk Management Committee of the Board of Directors of China Tourism Group Duty Free Corporation Limited

(Amended in December 2025)

Chapter 1 General Provisions

Article 1 In order to strengthen the audit and risk management of China Tourism Group Duty Free Corporation Limited (the "Company"), continuously improve the Company's internal control and compliance management system, the Board of Directors has established the Audit and Risk Management Committee (the "Committee") and has formulated these Rules of Procedure in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Code of Corporate Governance for Listed Companies and the Administrative Measures for Independent Directors of Listed Companies of the China Securities Regulatory Commission, the Measures for the Compliance Management of Central State-owned Enterprises and the Implementation Opinions on Strengthening the Construction and Supervision of the Internal Control System of Central State-owned Enterprises of the State-owned Assets Supervision and Administration Commission of the State Council, the relevant regulatory rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed, as well as the Articles of Association, the Rules of Procedure of the Board of Directors of the Company and other relevant requirements.

Article 2 The Committee is a special working body established under the Board of Directors of the Company, providing consultation or making recommendation in relation to decision-making of the Board of Directors, and it is accountable to the Board of Directors and reports on the relevant work of supervision, verification and internal control.

Article 3 The Company shall provide necessary working conditions for the Committee. When the Committee performs its duties, the management and relevant departments of the Company shall cooperate with it.

Article 4 The Audit Department of the Company is the daily office of the Committee, and the person in charge shall concurrently serve as the secretary to the Committee. The Audit Department is accountable to the Committee and reports to the Committee.

The Audit Department is responsible for the daily work of the Committee such as liaison, organization of meetings, preparation of materials and file management, with assistance from the Office of the Board of Directors, the Legal Risk Control Department, the Finance Department and other relevant departments.

Article 5 These Rules of Procedure are applicable to the Committee and the relevant persons and departments involved in these Rules of Procedure.

Chapter 2 Composition of the Committee

Article 6 The Committee shall consist of three (3) or more directors who are not senior management of the Company, of which the majority of the members shall be independent directors (that is, independent non-executive directors). Members of the Committee shall have professional knowledge, work experience and good professional ethics compatible with their duties, and at least one (1) member shall be an accounting professional who shall have appropriate professional qualifications required by the stock exchange where the Company's securities are listed, or appropriate expertise in accounting or relating to financial management.

Article 7 Members of the Committee shall be nominated by the Chairman of the Board of Directors, not less than half of the independent directors or not less than one-third of the directors and are subject to election by the Board of Directors.

Members of the Committee shall be diligent and responsible, supervise and evaluate the internal and external audit work of the Company in a practical and efficient way, facilitate the Company to establish an effective internal control, risk management and compliance management system and provide true, accurate and complete financial reports. Members of the Committee shall have the professional knowledge and experience to perform the duties of the Committee and ensure that they have sufficient time and effort to perform their duties of the Committee.

Currently, former partners of an external audit firm which is responsible for auditing the accounts of the Company are forbidden to become a member of the Committee within two (2) years from the following dates (whichever is the later):

(1) the date of ceasing to be a partner of such external audit firm; or

(2) the date of ceasing to be entitled to the financial benefits of the external audit firm.

Article 8 The Committee shall have one (1) chairman (convener), who is a member and an independent director. The chairman shall be an accounting professional with relevant professional experience in accounting or financial management, and be responsible for presiding over committee work. The chairman shall be nominated by the Chairman of the Board of Directors and appointed by the Board of Directors.

Article 9 The term of office of the Committee shall be consistent with the term of office of the same session of the Board of Directors, and the term of office of a member shall be consistent with that of a director of the same session. A member may be re-elected for consecutive appointments upon expiration of his/her term of office. If a member of the Committee ceases to be a director of the Company during his/her term of office, he/she will be automatically disqualified as a member.

Changes may be made to the members of the Committee during their term of office after discussion and approval by the Board of Directors.

A member of the Committee may be appointed concurrently to act in positions of other special committees under the Board of Directors provided he/she is competent to perform the duties and responsibilities.

Article 10 When the number of members in the Committee falls below the required number of members stipulated in these Rules of Procedure, the Board of Directors shall fill the vacancies in accordance with relevant laws, administrative regulations, departmental rules, normative documents, relevant regulatory rules of the securities regulatory authority and stock exchange where the Company's securities are listed, the Articles of Association, the Rules of Independent Directors of the Company and these Rules of Procedure.

Chapter 3 Duties and Responsibilities of the Committee

Article 11 The primary duties and responsibilities of the Committee are:

(1) to supervise and evaluate external audit work;

(2) to supervise and evaluate internal audit work;

(3) to review the financial information of the Company and its disclosures;

(4) to supervise and evaluate the construction of the internal control, risk management and compliance management system of the Company;

(5) to coordinate communication among the management, internal audit and external audit;

(6) to exercise the powers and functions of the supervisory committee as stipulated in the Company Law;

(7) to be responsible for other matters required by laws, administrative regulations, departmental rules, normative documents, relevant regulatory rules of the securities regulatory authority and stock exchange at the place where the securities of the Company are listed, the Articles of Association and authorized by the Board of Directors.

The Committee shall urge the external audit firm to be honest, trustworthy, diligent and responsible, strictly abide by 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 12 The duties and responsibilities of the Committee for supervising and evaluating external audit work include but are not limited to:

(1) Making proposals to the Board of Directors on the appointment, re-appointment and change of external audit firm; formulating policies, procedures and relevant internal control systems for the selection and appointment of external audit firm as authorized by the Board of Directors; reviewing the selection and appointment documents, determining the evaluation factors and specific evaluation criteria, and supervising the selection and appointment process; making proposals on the selection and appointment of proposed external audit firm and audit fees, and submitting to the decision-making body for decision; and handling any issues relating to the resignation or removal of such external audit firm.

(2) Evaluating and monitoring the external audit firm based on applicable standards to see whether it is independent, objective and whether the auditing procedures are effective; the Committee shall discuss with the external audit firm about the nature, scope and relevant reporting responsibilities of the audit before commencement of auditing work. In order to conduct the investigation on the independence of the external audit firm, the Committee is required to complete the following tasks: studying the relationship between the Company and the external audit firm (including non-audit services); asking for materials from the external audit firm in each year to understand the policy and procedures adopted by the external audit firm to maintain its independence and supervise the execution of such rules, including the requirements of altering external audit firm partners; meeting with the external audit firm at least once a year in the absence of the management to discuss matters relating to auditing fees, any matters arising from the auditing work and other matters raised by the external audit firm.

(3) Formulating and implementing policies for the appointment of an external audit firm to provide non-audit services. For the purpose of this provision, "an external audit firm" includes any entity that is under common control, ownership or management with the company responsible for auditing, or a third party who has reasonable knowledge about all relevant information will determine under reasonable circumstances that such entity is an entity which is part of the domestic or international business of the company responsible for auditing. The Committee shall report to the Board of Directors, and make proposals, on any action or improvement considered to be necessary.

(4) Supervising and assessing whether the external audit firm is responsible and diligent, evaluating the work of external audit firm, regularly (at least on an annual basis) submitting to the Board of Directors an evaluation report on the performance of the external audit firm and a report on the performance of the supervisory duties by the Committee.

The engagement or replacement of an external audit firm by the Company shall, after being agreed by more than half of all members of the Committee, be submitted to the Board of Directors for consideration and to the general meeting for decision.

The Committee shall make recommendations to the Board of Directors on the appointment or change of the external audit firm, and review the audit fees and terms of engagement of the external audit firm, without undue influence of the Company's substantial shareholders, de facto controllers or directors and senior management.

Article 13 The duties and responsibilities of the Committee for supervising and evaluating internal audit work include but are not limited to:

(1) Guiding and supervising the establishment and implementation of the internal audit system;

(2) Reviewing the annual internal audit work plan of the Company;

(3) Supervising the implementation of the internal audit plan of the Company;

(4) Reviewing the internal audit work reports, evaluating the results of internal audit work, and supervising the rectification of material problems;

(5) Guiding the effective operation of the internal audit institution;

(6) Reporting to the Board of Directors on the progress and quality of internal audit work and the major problems identified;

(7) Coordinating the relationship between the internal audit institution and the external audit units including the accounting firms, the national audit institutions, ensuring the internal audit function has sufficient internal resources, and is in an appropriate position, to operate in the Company;

(8) Making recommendations on the appointment or removal of the person in charge of the internal audit institution in the Company.

Various types of audit reports, rectification plans for auditing problems and the status of rectification submitted to the management by the internal audit institution are required to be delivered concurrently to the Committee.

When the Committee communicates with external audit entities such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Article 14 The duties and responsibilities of the Committee for reviewing the financial information of the Company and its disclosures include but are not limited to:

(1) Reviewing and monitoring the financial and accounting reports of the Company, reviewing the material opinions on financial reporting contained in the financial and accounting reports, and advising on the truthfulness, completeness and accuracy of the financial and accounting reports;

(2) Focusing on the major accounting and audit issues in the financial and accounting reports of the Company;

(3) Paying special attention to the possibility of whether fraud, misconduct and serious error relating to the financial and accounting reports exists;

(4) Supervising the rectification of the issues in the financial and accounting reports.

Prior to the submission of regular reports of the Company to the Board of Directors, when the Committee reviews the relevant financial and accounting reports, it shall focus on the following matters:

1. any changes in accounting policies and practices;

2. where significant judgements are involved;

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; and

6. whether other legal requirements relating to financial reporting have been complied with.

For these matters, the members of the Committee shall communicate with the Board of Directors and the senior management of the Company. The Committee shall hold at least two (2) meetings with the external audit firm of the Company in each year; the Committee shall consider any material or abnormal events reflected or that need to be reflected in such financial and accounting reports, and shall duly consider any matters raised by the qualified accountant or audit firm of the Company.

Article 15 The duties and responsibilities of the Committee for supervising and evaluating the construction of the internal control, risk management and compliance management system of the Company include but are not limited to:

(1) Reviewing and evaluating the basic system, system construction plan of internal control, risk management and compliance management and annual report of the Company, etc.;

(2) Identifying, evaluating and responding to major operational risks of the Company, reviewing risk management strategies and solutions for major risk management, and studying and discussing major issues in compliance management;

(3) Considering the criteria or mechanism for determining major decisions, major risks, major events and important business processes, and the risk assessment report of major decisions;

(4) Considering the establishment of the Company's internal control, risk management and compliance management organizations and their duties and responsibilities;

(5) Supervising the work related to the Company's internal control, risk management and compliance management, and evaluating its effectiveness;

(6) Implementing the control and daily management of related party transactions;

(7) Supervising the establishment and implementation of the Company's internal control, reviewing the self-evaluation report on internal control, and reviewing the audit report on internal control issued by the external audit firm;

(8) Evaluating the results of internal control evaluation, paying attention to major risks and internal control compliance defects, urging the rectification of defects, and supervising the implementation of rectification measures;

(9) Evaluating the financial control, internal control and risk management system of the Company. Conducting discussions on the risk management and internal control system with the management to ensure that the management has performed its duty of establishing an effective system, including considering whether the resources, staff seniority and experience are sufficient in the accounting and financial reporting functions of the Company, and whether the training courses for staff and the relevant budget are sufficient;

(10) Acting proactively or upon delegation by the Board of Directors to conduct a study on important investigation findings on risk management and internal control matters and the management's response to these findings;

(11) Evaluating the financial and accounting policies and practices of the Company and its subsidiaries;

(12) Examining the Explanatory Letter on Auditing provided by the external audit firm to the management, any material questions raised by the audit firm to the management in respect of accounting records, financial accounts or control systems and the reply from the management; ensuring the Board of Directors gives timely reply to matters mentioned in the Explanatory Letter on Auditing issued by the external audit firm to the management;

(13) Evaluating the following arrangements made by the Company: staff of the Company may raise concern on any impropriety possibly occurred in the areas of financial reporting, internal control or other aspects under confidential circumstances. The Committee shall ensure that appropriate arrangement will be made to enable the Company to conduct fair and independent investigation, and take appropriate action on such matters;

(14) Reporting to the Board of Directors on major issues related to internal control, risk management and compliance management.

Article 16 The duties and responsibilities of the Committee for coordinating communication among the management, internal audit and external audit include but are not limited to:

(1) Coordinating communication between the management and the external audit firm on material auditing issues;

(2) Coordinating communication between the internal audit institution and external audit firm as well as cooperation with the work of the external audit firm;

(3) Acting as the primary representative for the Company in communicating with the external audit firm and overseeing their relationship.

Article 17 The Committee shall exercise the powers and functions of the supervisory committee as stipulated in the Company Law, including but not limited to:

(1) to inspect the Company's finances;

(2) to supervise the performance of duties by directors and senior management, and to propose the removal of any director or senior management who violates laws, administrative regulations, departmental rules, normative documents, relevant regulatory rules of the securities regulatory authority and stock exchange where the Company's securities are listed, the Articles of Association or resolutions of the general meeting;

(3) to demand directors and senior management to rectify the actions taken by such directors and senior management when such actions are detrimental to the interests of the Company;

(4) to propose the convening of extraordinary general meetings, and to convene and preside over general meetings when the Board of Directors fails to perform its duty to convene and preside over such general meetings as prescribed by the Company Law;

(5) to submit proposals to general meetings;

(6) to initiate legal proceedings against directors and senior management in accordance with the provisions of the Company Law;

(7) to conduct investigations when discovering abnormal operations of the Company; if necessary, to engage professional institutions such as accounting firms or law firms to assist in its work, with the expenses to be borne by the Company.

Article 18 The Committee shall report to the Board of Directors on the matters mentioned above and other matters as stated in Code Provision D.3.3 (and the provision as amended from time to time) of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and report to the Board of Directors in respect of the decisions or recommendations made by the Committee, unless such reporting is prohibited by legal or regulatory restrictions.

Article 19 Unless otherwise specified in laws and regulations, the Committee shall supervise the internal audit institution to review the following matters, prepare a review report and submit it to the Committee at least once every half year. The Committee shall timely report to the stock exchange at the place where the securities of the Company are listed any non-compliant or nonstandard operation as it identifies:

(1) implementation of significant matters including use of proceeds, provision of guarantees, related party transactions, securities investment and derivative transaction, financial assistance, purchase or sale of assets and external investment;

(2) large-value transactions of the Company and the transactions with directors, senior management, controlling shareholders and de facto controllers and their related persons.

Article 20 Duties and responsibilities of the chairman of the Committee are:

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

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

(3) to sign relevant documents of the Committee;

(4) to report to the Board of Directors of the Company on the work of the Committee;

(5) to perform other duties and responsibilities as required or conferred by laws, administrative regulations, departmental rules, normative documents, relevant regulatory rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed, these Rules of Procedure and the Board of Directors.

Article 21 Rights and obligations of the members of the Committee are as follows:

(1) to attend meetings of the Committee as scheduled, express opinions on matters for discussion at the meetings, and exercise voting rights;

(2) to suggest topics for discussion at the meetings of the Committee;

(3) to attend or sit-in the relevant meetings of the Company as audience and conduct investigative studies and obtain the required relevant information, such as reports, documents and information, for the purpose of performing duties;

(4) to fully understand the duties and responsibilities of the Committee and his/her own duties as a member of the Committee, familiarize with the operation and management conditions, business activities and development status of the Company relating to his/her duties, ensure his/her capabilities in performing his/her duties;

(5) to provide full assurance for the working time and efforts required to perform his/her duties;

(6) to perform other duties and responsibilities as required or conferred by laws, administrative regulations, departmental rules, normative documents, relevant regulatory rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed, these Rules of Procedure and the Board of Directors.

Article 22 If necessary, the Committee may employ an intermediary to provide professional advice. The relevant fees incurred by the Committee in performing its duties shall be borne by the Company.

Article 23 The Committee is accountable to the Board of Directors, proposals from the Committee shall be submitted to the Board of Directors for consideration and decision. The following matters shall be submitted to the Board of Directors for consideration with the consent of more than half of all members of the Committee:

(1) Disclosure of financial information and internal control evaluation reports in financial accounting reports and regular reports;

(2) Engagement or dismissal of an accounting firm that undertakes the audit of the Company;

(3) Appointment or dismissal of the general accountant of the Company;

(4) Changes in accounting policies and accounting estimates or corrections of material accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated by laws, administrative regulations, departmental rules, normative documents, relevant regulatory rules of the securities regulatory authority and stock exchange where the Company's securities are listed and the Articles of Association.

The Committee shall report to the Board of Directors and make recommendations on any matters where action or improvement is needed. The Committee shall report its opinion to the Board of Directors in accordance with the duties set out, and the Board of Directors shall disclose the matter and explain the reasons for any action or improvement not made.

Chapter 4 Meetings of the Committee

Article 24 The Committee shall convene at least one (1) meeting every quarter. The Committee may convene extraordinary meetings on irregular basis according to its needs. The Committee may convene an extraordinary meeting under any of the following circumstances:

(1) when it is necessary in the opinion of the Board of Directors;

(2) when it is necessary in the opinion of the chairman of the Committee;

(3) when proposed by more than two (2) members.

Article 25 The Office of the Board of Directors shall be responsible for duly delivering the meeting notice and meeting documents by hand, by fax, by email or by other means to all members of the Committee and the relevant persons invited to attend the meeting as audience three (3) days prior to the date of convening the meeting. But under special or emergency circumstances, the aforementioned notice period for convening an extraordinary meeting may be exempted. The contents of the notice of meeting shall include the method, time, venue and agenda for convening a meeting, the issue date of the notice, etc.

Article 26 After the members of the Committee have received the notice of meeting, they shall acknowledge receipt on a timely basis through an appropriate method, and feedback with the relevant information (including but not limited to whether he/she will attend the meeting, the arrangement of itinerary, etc.).

Article 27 The members of the Committee shall attend the meeting in person. If a member is unable to attend a meeting in person, he/she may submit an authorization letter signed by him/her to appoint another member of the Committee to attend the meeting on his/her behalf to express opinions. The authorization letter shall state clearly the scope and period of authorization. Each member shall not accept authorizations from more than two (2) members at the same time. If a member, who is independent director, is unable to attend the meeting in person for some reasons, he/she shall review meeting materials in advance to form clear opinions and authorize in writing another member who is also an independent director to attend on his/her behalf.

The authorized member who attends the meeting on behalf of another member shall exercise the rights within the scope of authorization. If a member is unable to attend the meeting of the Committee in person, but has not authorized another member to exercise his/her rights on his/her behalf, he/she will be deemed to have abstained from exercising his/her rights.

Article 28 If a member of the Committee fails to attend the meetings of the Committee in person for two (2) times consecutively, and does not appoint other members of the Committee as representative, or if the number of meetings of the Committee that a member has attended in person within a year is less than three-fourths, such member will be deemed to have failed in performing his/her duties, the Board of Directors may adjust the members of the Committee according to these Rules of Procedure.

Article 29 A meeting of the Committee shall be convened when more than two-thirds of the members are present, each member has one (1) vote; and a resolution made by the meeting shall be passed by more than half of all members. A meeting shall be presided by the chairman of the Committee, and if the chairman of the Committee is unable to attend the meeting, another member who is an independent director may be authorized to chair the meeting.

According to the relevant regulations, where a member shall stop performing his/her duties but has not stop performing his/her duties or shall be removed from his/her duties but has not been removed, when that member attends and votes at a meeting of the Committee, his/her vote shall be invalid and shall not be counted in the quorum.

Article 30 When a discussion is conducted at the meeting of the Committee to study the matters on the agenda of the meeting, members of the Committee shall express their own opinions clearly, independently and sufficiently based on their own judgement, and if unanimous opinions cannot be reached, it shall be recorded in the meeting minutes.

Article 31 Meetings of the Committee shall be convened in the form of physical meetings. On the premise of ensuring that all participating members can fully communicate and express their opinions, upon consent given by the chairman of the Committee, the meeting may be held by video, telephone or other means in accordance with the procedures if necessary.

Article 32 If necessary, the Committee may invite the directors, relevant senior management, the relevant experts of the Company or experts and academics in society, as well as intermediaries and relevant persons to attend the meeting as audience. Persons who attend the meeting as audience shall give explanation and presentation as requested by the members of the Committee.

Article 33 If a member of the Committee is interested in the matters to be discussed at the meeting of the Committee, such member shall abstain from attending the meeting.

Article 34 All persons who are attending a meeting are obliged to keep confidential all the matters which have been considered at the meeting, and they are forbidden to disclose any related information without authorization.

Article 35 Meeting minutes shall be compiled for the meetings of the Committee in accordance with the regulations, and the meeting minutes shall be true, accurate and complete, and shall fully reflect the opinions of the participants on the matters considered. Members, recorders and other relevant personnel attending the meeting shall sign on the meeting minutes. The meeting minutes shall be delivered to all members of the Committee within reasonable time after the meeting for seeking their comments.

Article 36 After convening a meeting of the Committee, the secretary to the Committee may prepare the meeting summary of the Committee as necessary.

Article 37 The meeting minutes, meeting summary, authorization letter and other meeting materials arising from the meetings of the Committee shall be kept by the Audit Department in accordance with the relevant filing management system of the Company.

The above meeting materials shall be kept at least ten (10) years.

Chapter 5 Supplemental Provisions

Article 38 Unless specified otherwise, the terms used in these Rules of Procedure shall have the same meanings as those used in the Articles of Association.

Article 39 These Rules of Procedure shall be effective after consideration and approval by the Board of Directors.

Article 40 Any matters not provided in these Rules of Procedure shall be executed in accordance with the relevant national laws, administrative regulations, departmental rules, normative documents, the relevant regulatory rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed and the provisions of the Articles of Association.

If these Rules of Procedure have conflicts with the national laws and administrative regulations promulgated in future, departmental rules, normative documents, the relevant regulatory rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed, and the amended Articles of Association in compliance with legal procedure, the provisions of the relevant laws, administrative regulations, departmental rules, normative documents, the relevant regulatory rules of the securities regulatory authority and the stock exchange at the place where the securities of the Company are listed and Articles of Association shall prevail, and these Rules of Procedure will be amended accordingly for consideration and approval by the Board of Directors.

Article 41 The Board of Directors of the Company shall have the rights of interpretation and amendment of these Rules of Procedure.

Article 42 These Rules of Procedure are compiled in English and Chinese versions, and if any discrepancy arises between the English and the Chinese versions, the Chinese version shall prevail.