A-LIVING SMART CITY SERVICES CO., LTD.*

雅生活智慧城市服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3319)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(adopted by the Board on 4 September 2017)
(First revision on 6 December 2018)
(Second revision on 28 May 2026)

Chapter 1 Members

Article 1 The audit committee (the "**Audit Committee**") of A-Living Smart City Services Co., Ltd. (the "**Company**") should be established by the board of directors of the Company (the "**Board**") and it should comprise a minimum of three members.

Article 2 The Audit Committee should comprise non-executive directors only. The majority of the Audit Committee members (the "**Member(s)**") must be independent non-executive directors of the Company, and at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise.

Article 3 The Audit Committee must be chaired by an independent non-executive director and appointed by the Board.

Article 4 A former partner of the Company's existing auditing firm should be prohibited from acting as a Member for a period of two years from the date of the person ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is later.

Article 5 Members shall be elected for a term of office equivalent to that of the directors. At the expiration of their term of office, they could be re-elected and re-appointed. Any Member who ceases to be a member of the Board during his/her term of office shall automatically cease to be a member. The Board shall fill the vacancy if the number of Members fails to meet the minimum number requirements.

Chapter 2 Secretary

Article 6 The company secretary, any joint company secretary of the Company or his/her delegate shall act as the secretary of the Audit Committee.

Article 7 The Audit Committee may, from time to time, appoint any other person with appropriate qualification and experience to act as the secretary of the Audit Committee.

Chapter 3 Meetings

Article 8 The Audit Committee shall meet at least once per quarter. The external auditors of the Company can call for a meeting if necessary.

Article 9 Notice should be given within a reasonable time before a meeting, unless such notification is waived by all Members. Notwithstanding the notification period, the attendance of the Members at the meeting would be deemed to be treated as the waiver of the required notification requirement. If the follow-up meeting takes place within 14 days after the meeting, then no notification is required for such follow-up meeting. Agenda and accompanying meeting papers should be sent out at least 3 days before the date of meeting.

Article 10 The quorum necessary for the transaction of business of the Audit Committee shall be two Members, one of whom must be an independent non-executive director.

Article 11 Meeting can be attended in person or via electronic means including telephone or videoconferencing. The Members can attend the meeting via telephone or any similar communication device (all persons attending such meeting should be able to hear from such member via such communication device).

Article 12 Resolution of the Audit Committee shall be passed by more than half of its members.

Article 13 A resolution passed and signed by all members of the Audit Committee is valid, and the validity is the same as any resolution passed in the meeting of the Audit Committee held.

Article 14 Full minutes of the Audit Committee meeting should be kept by a duly appointed secretary of the Audit Committee. Draft and final versions of minutes of the meeting should be sent to all Members for their comments and records, within a reasonable time after the meeting.

Chapter 4 Meeting attendance

Article 15 The Members should meet, at least once per quarter, with the Company's auditors without the attendance from the executive directors (except for the one invited by the Audit Committee).

Article 16 Upon the invitation from the Audit Committee, the following persons can attend the meeting:

(1) head of internal audit department or (if absent) the representative from internal audit department;

(2) Group financial controller (or equivalent); and

(3) the other Board members.

Article 17 Only the Members can vote in the meeting.

Chapter 5 Annual Shareholders' Meeting

Article 18 The chairman or chairlady of the Audit Committee or (if absent) the other Member (who must be an independent non-executive director) should attend the annual shareholders' meeting of the Company and handle the shareholders' enquiry on the activities and responsibilities related to the Audit Committee.

Chapter 6 Duties and Powers

The Audit Committee is responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit. In addition, it shall exercise the functions and powers of the supervisory committee as stipulated in the Company Law of the People's Republic of China. The Audit Committee's duties and powers should include:

Article 19 Relationship with the Company's external auditors

(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 auditor, and any questions of its resignation or dismissal;

(2) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;

(3) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes 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; and

(4) to report to the Board, identifying and making recommendations on any matters where action or improvement is needed.

Article 20 Review of the Company's financial information

(1) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

(a) any changes in accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumptions and any qualifications;

(e) compliance with accounting standards; and

(f) compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and legal requirements in relation to financial reporting; and

(2) Regarding Article 20(1) above:

(a) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least four times a year, with the Company's external auditors; and

(b) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should 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 and auditors.

Article 21 Oversight of the Company's financial reporting system, risk management and internal control systems

(1) to review the Company's financial controls, and unless expressly addressed by a separate risk and management committee of the Board, or by the Board itself, to review the Company's risk management and internal control 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. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions;

(3) to consider 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 such findings;

(4) 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;

(5) to review the financial and accounting policies and practices of the Company and its subsidiaries;

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

(7) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

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

(9) to review arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. 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;

(10) to report to the Board on the matters in the code provision under Appendix C1 of the Listing Rules;

(11) to consider other topics, as defined by the Board;

(12) 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;

(13) the Audit Committee should establish a whistle blowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;

(14) to report to the Board on overall risk management;

(15) to consider the Company's risk management strategies and the solutions for major risk management;

(16) 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;

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

(18) to consider the establishment of the risk management organizations and proposals of their responsibilities.

Article 22 Performing the Company's corporate governance functions

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

(2) to review and monitor the training and continuous professional development of directors and senior management of the Company;

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

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

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

Chapter 7 Reporting

Article 23 The Audit Committee shall report to the Board after each of its meetings.

Chapter 8 Authority

Article 24 The Board should authorise the Audit Committee to inspect all accounts, reports and records of the Company.

Article 25 In order to fulfill its duties, the Audit Committee is eligible to request the management of the Company to provide any figures related to the financial status of the Company, its subsidiaries and associates.

Article 26 The Member should have access to independent professional advice at the expense of the Company, if necessary, in order to fulfill his responsibility of being a member of the Audit Committee.

Remark: *The independent professional advice can be sought via the chief financial officer, the company secretary or a joint company secretary.*

Article 27 The Audit Committee should be provided with sufficient resources to perform its duties.

Remark: *"Senior management" refers to the same persons referred to in the Company's annual report. It is the responsibility of the directors of the Company to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries, heads of divisions, departments or other operating units within the group as, in the opinion of the Company's directors, is appropriate.*

* For identification purposes only