

AJISEN (CHINA) HOLDINGS LIMITED

味千(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

AUDIT COMMITTEE TERMS OF REFERENCE

(Amended and adopted with effect from 25 August 2023)

Constitution

1. The board of directors (the “**Board**”) of Ajisen (China) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), hereby resolves to establish a committee of the Board to be known as the Audit Committee (the “**Audit Committee**”).

Membership

2. The members of the Audit Committee shall be appointed by majority vote of the Board from amongst the non-executive directors of the Company, based on the recommendations of the Nomination Committee and in consultation with the Chairman of the Audit Committee and may be modified by the Chairman of the Audit Committee with proposals to the Audit Committee for its approval or ratification. The Audit Committee shall consist of not less than three members, at least one of whom, shall be an independent non-executive director of the Company with appropriate professional qualifications or accounting or related financial management expertise as required under rule 3.10(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). A quorum of a meeting of the Audit Committee shall be two members. When more than two members are present, the act of the majority of such members at a meeting at which a quorum exists, shall be the act of the Audit Committee, and when only two members are present, the unanimous vote of the two members shall constitute the act of the Audit Committee. In addition, the Audit Committee can take action at any time by unanimous written consent. The Chairman of the Audit Committee may invite other members of the Board and advisers to attend its meetings.
3. As long as the members remain the directors of the Company, they shall serve for a period of three years, provided that in the case of their re-election in accordance with the articles of the Company and the Hong Kong Listing Rules, they may continue to serve for additional periods subject to the Chairman of the Nomination Committee making an assessment of their continued independence of members of the Audit Committee, and the concurrence of the Board.

4. The majority of the Audit Committee must be independent non-executive directors of the Company.
5. The Audit Committee must be chaired by an independent non-executive director of the Company. The chairman of the Audit Committee shall be elected by all members of the Audit Committee.
6. A former partner of the Company's existing auditing firm should be prohibited from acting as a member of the Audit Committee for a period of two years commencing from the date of his ceasing:
 - (a) to be a partner of the firm; or
 - (b) to have any financial interest in the firm,whichever is the later.

Attendance at meetings

7. The chief financial officer, financial controller and/or the staff who is responsible for the accounting and financial reporting function of the Group; and/or the head of internal audit (if any), and a representative of the external auditors shall normally attend meetings of the Audit Committee. Other Board members shall also have the right of attendance. The other Board members' said right of attendance, however, is subject to the requirement that the Audit Committee shall meet at least once a year with the external auditors without executive Board members' presence.

If necessary, the chairman of the Audit Committee should request a confidential meeting with the assurance engagement partner of the external auditor to raise or discuss any confidential matters related to the implementation and independence of the external audit.

8. The company secretary of the Company shall be the secretary of the Audit Committee. In the absence of the company secretary, a member of the Audit Committee or his/her nominee shall act as the secretary. The chairman of the Audit Committee may appoint his designee to serve as the committee secretary.
9. Meetings of the Audit Committee may be conducted when the members are physically present or in the form of electronic means.
10. Notice and details of meetings shall be given to members of the Audit Committee at least five working days in advance, unless otherwise agreed.

11. The Audit Committee shall keep minutes of its meetings which shall be circulated to members, at the next Audit Committee meeting for discussion, objections and approval. Once approved, such minutes shall be provided to the Board.
12. Except as expressly provided in these terms of reference, the Audit Committee shall set its own rules of procedure.

Frequency of meetings

13. Meetings of the Audit Committee shall be held not less than twice a year. In cases where physical meetings of the Audit Committee are not possible, the Chairman of the Audit Committee shall call for the meeting by electronic means. The external auditors may request a meeting if they consider that one is necessary or desirable.

Authority

14. 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 of the Company and its subsidiaries and all employees of the Group (including members of the Board) are directed to co-operate with any request made by the Audit Committee.
15. 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 or desirable.
16. The Committee may request that any Director, officer, member of the internal audit function or other employee of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting and provide such pertinent information as the Committee requests. The head of internal audit function shall meet with the Committee at least annually without the presence of the management of the Company. If there is no permanent internal audit function, the Audit Committee shall delegate responsibility to the Chairman of the Audit Committee to call for independent professional services firm to provide such services, subject to the approval of the Audit Committee, and/or for the Chairman of the Audit Committee to develop an internal audit function based on the calling off of services to be provided by competent independent professional service contractors, on terms and condition to be approved by the Audit Committee, and the planning, delivery of such services shall be overviewed by Chairman of the Audit Committee. with subsequent reporting to the Audit Committee.

Duties

17. The duties of the Audit Committee, in terms of the external auditor, shall include, but shall not be limited to, the following:

- (a) to be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor, the Audit Committee shall oversee the selection process for new auditors if an auditor resigns or is dismissed, the Audit Committee shall investigate the issues leading to this and decide whether any action is required.
- (b) approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
- (c) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the nature and scope of the audit and reporting obligations;
- (d) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements of the audit process in accordance with applicable standard;to discuss with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and ensure co-ordination where more than one audit firms are involved;
- (e) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);
- (f) agreeing with the Board a policy on the employment of former employees of the Company's external auditor, then monitoring the implementation of this policy;
- (g) monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements;
- (h) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures.
- (i) develop and implement policy on the supply of non-audit services by the external auditor, taking into account relevant ethical guidance and legal requirements regarding the matter.
- (j) assure the continuing independence of the external auditors, monitor the regular rotation of the lead audit partner (in addition to what may already be required by law or regulation or other statements of best practice).
- (k) to act as the key representative body for overseeing the Company's relation with the external auditor.

18. The duties of the Audit Committee, in terms of the internal audit function, shall include, but shall not be limited to, the following:
- (a) monitor and review the effectiveness and organisational structure of the Company's internal audit function in the context of the Company's overall risk management system;
 - (b) approve the appointment and removal of the head of the internal audit function, review the qualifications and effectiveness of internal audit personnel;
 - (c) consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;
 - (d) review and assess the annual internal audit plan; review promptly all reports on the Company from the internal auditors; review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and the head of internal audit shall be given the right of direct access to the Chairman of the Board and to the Committee.
19. The duties of the Audit Committee, in terms of financial reporting, shall include, but shall not be limited to, the following:
- (a) to monitor integrity of financial statements of the Company and the Company's annual report and accounts, half-year report and, if prepared for publication, quarterly reports and to review significant financial reporting judgments contained in them 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 Listing Rules and other legal requirements in relation to financial reporting;
 - (b) with regard to paragraph (a) above, to liaise with the Board and senior management and to 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 such reports and accounts and must

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;

- (c) to review the Company's financial controls, internal control and risk management systems;
- (d) to discuss with the management the systems of risk management and internal control and ensure that the management has discharged its duty to have effective internal control systems including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- (e) to consider any findings of major investigations of risk management and internal control matters as delegated by the Board or on its own initiative and management's response; to consider findings of internal investigations and management's response;
- (f) (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 the effectiveness of the internal audit function;
- (g) to review the Group's financial and accounting policies and practices;
- (l) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of accounting records, financial accounts or systems of control and management's response;
- (m) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.

20. Other duties of the Audit Committee:

- (a) to report to the Board on the matters set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules;
- (b) to consider other topics, as defined by the Board;
- (c) to review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action.

Compensation

21. No member of the Audit Committee may receive, directly or indirectly, any compensation from the Company other than (i) any fees paid to directors for service on the Board, (ii) additional fees paid to Directors for service on a committee of the Board (including the Audit Committee) or as the chairman of any committee and (iii) a pension or other deferred compensation for prior service that is not contingent on future service on the Board as long as it does not compromise the Audit Committee member's independence.

Committee performance evaluation

22. The Committee shall review its own performance at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the Corporate Governance and Nomination Committee and to the Board for review, discussion and approval.

Access to advisors and training

23. The Audit Committee should be provided with sufficient resources to perform its duties. The Audit Committee shall have its own budget and the authority to engage and obtain advice and assistance (including independent advice and assistance) from internal or external legal, accounting or other advisors, without having to seek Board approval and at the Company's expense.
24. Members of the Audit Committee shall receive appropriate training on taking office and on an ongoing and timely basis to ensure that they can carry out their functions.

Report procedures

25. The secretary shall keep full minutes of meetings of the Audit Committee and draft and final versions of minutes of the Audit Committee meetings should be sent to all members of the Audit Committee for their comment and records respectively, in both cases within a reasonable time after the meeting.

Other references

26. Where applicable, the Audit Committee should also refer to "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in February 2002 for guidance.