

HUA MEDICINE
華領藥

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2552)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The audit committee (the "**Committee**

2.2 The Board shall appoint one member of the Committee as the chairman (the

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3.16 Without prejudice to any requirement under the Listing Rules, a resolution in writing signed by all of the members of the Committee (or their respective alternate) shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

4. ACCESS

4.1 The Committee shall have full access to management and may invite members of management or others to attend its meetings.

4.2 The Company should provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

5. REPORTING PROCEDURES

6. AUTHORITY

6.1 The authorities and responsibilities of the Committee shall include such responsibilities and authorities set out in the relevant code provisions of the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules (as amended from time to time).

6.2 The Committee is authorised by the Board to investigate any activity within these Terms of Reference. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.

6.3 Where the Board disagrees with the 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 Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.

7. DUTIES

7.1 Without prejudice to any requirements under the CG Code, the duties of the Committee shall include the following:

(a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and re

(c) to develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "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. T aud a ntoo lyta)pje.496 0 Td(t)Tj0.33 0 Td(d(n)Tj41 ( )Tj(n)Tj0.552 0 Td)

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