

# Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd.

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

### Chapter I General

#### Effective date of these Terms of Reference:

Revised by the board of directors and effective on June 15, 2026.

**Article 1** These Terms of Reference are formulated for the Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) established by Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (the “**Company**”) in accordance with the Company Law of the People’s Republic of China, the Articles of Association of Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd. (the “**Articles of Association**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant regulations, in order to strengthen the decision-making function of the Board, enhance internal supervision and risk control, improve the corporate governance structure of the Company, and regulate the Company’s audit work.

**Article 2** The Committee is a special committee under the Board, which is principally responsible for the communication, supervision and verification of the Company’s internal control, risk management, financial information and internal audit, as well as maintaining the relationship with the external auditor.

The Committee is accountable to the Board and reports its work to the Board; the Committee’s proposals shall be submitted to the Board for consideration and decision.

The members of the Committee shall ensure that sufficient time and efforts are devoted to the performance of the work duties of the Committee, diligently, conscientiously and effectively monitor the external audit of the Company, guide the Company’s internal audit work, promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

The Company shall provide necessary working conditions the Committee and assign special personnel or office to handle the routine work of the Committee, including liaison, organization of meetings, preparation of materials and records management, etc. The management and relevant departments of the Company shall provide cooperation when the Committee performs its duties.

## Chapter II Composition

**Article 3** The Committee shall be composed of three non-executive directors of the Company, a majority of whom should be independent non-executive directors. At least one of the independent non-executive directors on the Committee shall have appropriate professional qualifications as set out in Rule 3.10(2) of the Hong Kong Listing Rules, or accounting or relevant financial management expertise. A former partner of the external auditor currently responsible for auditing the accounts of the Company shall be prohibited from acting as a member of the Committee for a period of two years from the later of (1) the date on which he/she ceases to be a partner of the external auditor; or (2) the date on which he/she ceases to have any financial interest in the external auditor.

**Article 4** The members of the Committee shall be nominated by the chairperson of the Board, more than one-half of the independent non-executive directors or one-third of all directors, and be elected by the Board.

**Article 5** The Committee shall have a chairperson (the convener) who shall be an independent non-executive director with professional accounting knowledge and shall be responsible for presiding the work of the Committee. The chairperson of the Committee shall be elected among the members and submitted to the Board for approval of appointment.

**Article 6** The term of office of the Committee shall be consistent with that of the Board. A member may serve consecutive terms if re-elected upon the expiry of his/her term of office. During the period, any member who no longer holds office as a director of the Company shall automatically cease to be a member and the Committee shall fill up the vacancy in accordance with these Terms of Reference. The original members shall continue to perform their relevant duties and powers under these Terms of Reference until the Board fills up the vacancy in time in accordance with these Terms of Reference.

A member who fails to attend meetings of the Committee in person (including on-site attendance and attendance by means of communication) for two consecutive times and fails to submit to the Committee a report on his/her views on the subject matter of the meeting shall be deemed to have failed to perform his/her duties and the Committee shall recommend to the Board for removal and replacement.

**Article 7** The members of the Committee may submit their resignation to the Board before his/her term expires. The resignation report shall give the necessary explanations on the reasons for the resignation as well as any matters requiring the attention of the Board.

**Article 8** The Board shall evaluate the independence of and performance of duties by the members of the Committee and may replace the members who are not suitable for continuing to be a member as necessary. Subject to the proposal by the chairperson of the Board and the discussion and approval by the Board, the Committee members may be adjusted during their term of office.

**Article 9** An internal audit department is a daily operational office that shall be established under the Committee. The internal audit department is responsible for the preparatory work for the Committee's decision-making and preparation of relevant meeting materials.

### Chapter III Duties and Powers

**Article 10** The Audit Committee shall exercise the duties and powers of the supervisory committee as stipulated in the Company Law.

**Article 11** The principal duties and powers of the Committee include:

- (1) supervising and evaluating the work of the external auditor;
- (2) guiding and supervising the internal audit of the Company;
- (3) reviewing the financial reports of the Company and expressing opinions on them;
- (4) evaluating the effectiveness of internal control;
- (5) coordinating the communication among the management, the internal audit department and relevant departments with the external auditor;
- (6) other matters authorized or required to be performed by laws and regulations, the Hong Kong Listing Rules and other relevant regulatory rules of the place where the Company is listed, these Terms of Reference and the Board.

**Article 12** The duties of the Committee on supervising and evaluating the work of external auditors shall include:

- (1) to make 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 evaluate and monitor the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards, and to supervise and evaluate the external auditor's diligence; the Committee shall discuss the nature and scope of the audit and reporting obligations with the auditor before the audit work commences, and discuss and communicate the audit plan, audit methods, and any significant matters identified with the external auditor during the audit;
- (3) to develop and implement policies on engaging external auditors to supply non-audit services. For the purpose of this clause, "external auditor" shall include 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 local or international operations of the audit firm. The Committee shall report to the Board and make recommendations on any matters where action or improvement is needed.

The Audit Committee shall meet with external auditors for separate communication at least once a year without the attendance of the management. The secretary to the Board may attend the meeting as a non-voting delegate.

**Article 13** The duties of the Committee on guiding the internal audit work shall include:

- (1) to review the annual internal audit plan of the Company;
- (2) to supervise the implementation of the internal audit plan of the Company;
- (3) to review the internal audit work reports, evaluate the results of internal audit work, and supervise the rectification of major issues;
- (4) to guide the effective operation of the internal audit department.

The Company's internal audit department shall its work report to the Committee. All types of audit reports, plans for rectification of audit issues and rectification progress shall be forwarded to the Committee while being submitted to the management by the internal audit department.

**Article 14** The duties of the Committee on reviewing and expressing opinions on financial reports of the Company shall include:

- (1) to review the integrity of the Company's financial reports, annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in these statements and reports. In reviewing these statements and reports, before submission to the Board, the Committee shall focus particularly on: (i) any changes in accounting policies and practices; (ii) major judgmental areas; (iii) significant adjustments resulting from audit; (iv) the going concern assumptions and any qualifications; (v) compliance with applicable accounting standards; and (vi) compliance with the Hong Kong Listing Rules and applicable legal requirements in relation to financial reporting. In this regard, members of the Committee should liaise with the Board and senior management. The Committee must meet, at least twice a year, with external auditors of the Company;
- (2) to focus on and consider any significant or unusual matters and material accounting and auditing issues that are reflected or need to be reflected in the Company's financial report and accounts, including adjustments for material accounting errors, changes in significant accounting policies and estimates, matters involving critical accounting judgements, and matters resulting in a non-standard unqualified audit report and shall give due consideration to any matters raised by the Company's head of finance or by the external auditor;
- (3) to pay special attention to whether there are frauds or malpractices relating to the financial reports and the possibility of major misreporting;
- (4) to supervise the rectification of financial reporting issues.

**Article 15** The duties of the Committee on assessing the effectiveness of internal control shall include:

- (1) to assess the Company's financial controls, and the Company's risk management and internal control systems;

- (2) to discuss the risk management and internal control systems with the management of the Company to ensure that the management has performed its duty to establish effective internal control 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 function;
- (3) to consider major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and the management's response to such findings;
- (4) to ensure co-ordination between internal audit and external auditors and that internal audit function is adequately resourced and has appropriate standing within the Company, and to review and assess the effectiveness of internal audit;
- (5) to assess the group's financial and accounting policies and practices;
- (6) to review the external auditors' management letter, any material queries raised by the auditor to the management in relation to the accounting records, financial accounts or internal control and the management's response;
- (7) to ensure that the Board will provide a timely response to the matters raised in the external auditors' management letter;
- (8) to report to the Board on matters relating to the Corporate Governance Code; and
- (9) to consider other topics as defined by the Board.

**Article 16** The duties of the Committee on coordinating the communications among the management, the internal audit department and relevant departments with the external auditor shall include:

- (1) to coordinate the communication between the management and the external auditor on major audit issues;
- (2) to coordinate the communication between the internal audit department and external auditors and coordinate with the external audit work; and
- (3) to act as the key representative body for overseeing the Company's relations with the external auditor.

**Article 17** The Committee shall report to the Board and make recommendations on any matters where action or improvement is needed.

**Article 18** The Committee may engage intermediary institution to seek professional advice as it deems necessary at the Company's expense.

**Article 19** In the event of engagement or change of external auditors by the Company, relevant proposal shall not be considered by the Board until deliberations and recommendations of the Committee are presented to the Board.

**Article 20** The Committee shall review the arrangements set up by the Company whereby employees of the Company may raise concerns, in confidence, about possible improprieties in financial reporting, internal control or others. The Committee should ensure that proper arrangements are in place for the Company to conduct impartial and independent investigation of these matters and for appropriate follow-up action.

#### **Chapter IV Rules of Procedure**

**Article 21** Committee meetings shall comprise regular meetings and interim meetings and shall be convened and presided over by the chairperson of the Committee. When the convener of the Committee cannot or refuses to perform his/her duties, an independent non-executive director shall be delegated to perform the duties on his/her behalf.

**Article 22** The Committee shall convene at least four regular meetings each year. The Committee may convene interim meetings as needed. When two or more members of the Committee propose, or the convener of the Committee deems it necessary, an interim meeting may be convened. The chairperson of the Committee shall give written notice to all members of the Committee of the convening of regular and interim meetings three days in advance.

**Article 23** Committee meetings shall be held in the presence of more than two-thirds of the members, each of whom shall have one vote. Resolutions made at the meetings shall be passed by a majority of all the members. In the event of an equal number of affirmative and negative votes, the chairperson of the Committee shall have the right to cast one more vote. In the event that no effective review opinion is concluded due to the recusal of the members of the Audit Committee, the relevant matters shall be considered directly by the Board.

Any Committee member who has an interest in the matter discussed at the meeting shall recuse from discussion and abstain from voting. If the Committee members cannot form an effective audit opinion due to such recusal, the relevant matters shall be directly considered by the Board.

**Article 24** Meetings of the Committee may be held on-site or by means of communication. Voting shall be taken by way of a poll.

**Article 25** Members of the Committee should attend meetings in person (including on-site attendance and attendance by means of communication) and should express clear opinions on the matters under consideration. A member unable to attend a meeting in person for any reason may appoint another member by the proxy letter as duly signed to attend the meeting and express opinions on his/her behalf. The proxy letter shall specify the scope and validity period of the authorization. Each member can act as the proxy of at most one other member. If an independent non-executive director cannot attend the meeting in person for any reason, he/she shall appoint another independent non-executive director to attend the meeting on his/her behalf.

**Article 26** Members of the Company's internal audit department may attend Committee meetings as non-voting delegates. When the Committee deems necessary, it may invite the financial personnel, other directors and senior management of the Company, representatives of external auditors, legal advisers and other relevant personnel to attend meetings of the Committee as non-voting delegates and provide necessary information.

**Article 27** Minutes should be kept for the Committee meetings on all concerns raised or dissenting views expressed by members, and shall record at least the following: date, time, venue, moderator, participants, agenda of the meeting, main points of each speaker's statement on each matter under consideration, voting results of each matter and other matters that should be stated and recorded in the minutes. Draft and final versions of the minutes shall be sent to all members of the Committee within a reasonable period of time after the meeting for the members' comments and records, respectively. The final version of the minutes of the Committee meeting shall be signed by the members and other persons present at the meeting. The minutes shall be kept properly by the secretary of the meeting or the company secretary.

The consideration opinions passed at the Committee meetings shall be submitted in writing to the Board.

**Article 28** All persons attending the meeting shall be obligated to keep the matters discussed thereat confidential and shall not disclose relevant information without authorization.

**Article 29** The procedures for convening meetings, the voting methods and the resolutions passed at the meetings of the Committee shall comply with relevant laws and regulations, the Articles of Association and these Terms of Reference.

## **Chapter V Supplementary Provisions**

**Article 30** These Terms of Reference shall take effect from the date of consideration and approval by the Board.

**Article 31** Any matters not covered hereunder shall be subject to the provisions of relevant national laws, regulations, other regulatory documents, the Hong Kong Listing Rules and the Articles of Association; if the Rules of Procedure are in conflict with the national laws, regulations and other regulatory documents promulgated in the future, the Hong Kong Listing Rules or the Articles of Association as amended by lawful procedures, the latter shall prevail and amendment to the Rules of Procedure shall be made immediately and submitted to the Board for consideration and approval.

**Article 32** Amendments to these Terms of Reference shall be proposed and approved by the Board to become effective.

**Article 33** The Board shall be responsible for the interpretation of and amendment to these Terms of Reference.